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31 December 1985

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PUERTO RICO TO AID CARIBBEAN STATES; U.S. ROLE ASSESSED

Barbados Politico's Views

Bridgetown SUNDAY SUN in English 10 Nov 85 p 16

[Excerpt]

BARBADOS' OPPOSITION LEADER, Errol Barrow, says there is need for greater communication between Caribbean countries and the United States.

"I think that is the most important thing," he told delegates at the opening of a three-day gathering of representatives of regional political parties, and the private sector as well as a United States congressional committee.

Mr. Barrow said: "We do not like being handed down a decalogue from Mount Washington, that some of the people in the private sector do not, and certainly very few, if any, in the public sector, completely comprehend, so that the terms of those impositions can be implemented to the mutual benefit of our peoples."

He said he would not refer to the Caribbean Basin Initiative (CBI), the United States sponsored aid, trade and cooperation convention aimed at spurring economic growth and development in the Caribbean and Latin America.

He observed that recent local Press reports had indicated Barbados' intentions of producing so-called "intermediate products", but he pointed out that, in the words of the calypsonian, Sparrow: "We pass that stage".

Barbadians, he said, were as educated as Puerto Ricans, and he did not think that they wanted to become re-colonised.

He said he recently had to observe in Puerto

Rico, that Cristobal Colon (Christopher Columbus) discovered the Caribbean nearly 500 years ago and Hernandez Colon (Puerto Rico's Governor) was now re-discovering the Caribbean.

"The colonisation 500 years ago was all right," he said, "because we would never have been here, but we hope that in the 'communications' such as this, we would be able to establish a better partnership, not only with the Commonwealth of Puerto Rico, but with the United States and among ourselves in the region."

However, he said there was a complete lack of understanding of the mechanics, purpose and ultimate benefits to be derived from that much publicised initiative which emanated from Washington.

"Very few people in Barbados have heard of Section 936 of the Inland Revenue Code of the United States of America," he said, adding that he hoped Puerto Rico's Governor, Rafael Hernandez Colon, who was scheduled to address the conference yesterday, would be able to explain that his country was not asking that the countries of Eastern Caribbean be relegated to the situation of "hewers of wood and draw of water" so that Puerto Rico could continue to enjoy the \$700 million worth of benefits under that section of the code.

Mr. Barrow noted that United States President Ronald Reagan had threatened to repeal the section of the code, but it had since been temporarily placed in abeyance.

Governor Colon's Remarks

Bridgetown SUNDAY ADVOCATE in English 10 Nov 85 p 1

[Article by Wynslo Phillips]

[Text]

Puerto Rico's Governor, Mr. Rafael Hernandez Colon, yesterday promised that his administration will commit some US\$840 million towards the development of manufacturing industries in the Caribbean.

Of this amount, Governor Colon told a gathering of English-speaking Caribbean nations meeting at Heywoods, "....I am announcing today....the Commonwealth (of Puerto Rico) is prepared to commit\$140 million of the Development Bank deposits to finance additional twin plants outside Puerto Rico."

He added: "This new capital will be allocated primarily to financing those investments in Eastern Caribbean countries that can be shown to benefit both that country and the economy of Puerto Rico."

However, Governor Colon made this Puerto Rican generosity dependent on one important factor — that Caribbean Governments pressure the United States Congress to drop plans to scrap Section 936 of the US Tax Code. The section specifies that, in exchange for tax exemption, a company must leave profits on deposits within Puerto Rico for reinvestment in certain types of eligible economic activities.

The three-day conference at Heywoods on "Democracy in the English-speaking Caribbean" ends today.

Governor Colon said yesterday that "less than a year ago" he had announced a plan to share the benefits of Section 936 with Caribbean nations.

"We have committed to the CBI \$700 million of funds deposited in our Development Bank by Section 936 corporations. These funds are available on concessionary terms to companies starting or expanding twin plants — manufacturing enterprises in Puerto Rico and complementary facilities in other Caribbean islands or countries," he stated.

Governor Colon noted that because the US Congress has not passed the full CBI programme, "the Puerto Rican contribution has already become a Caribbean necessity. The twin plant concept has become a key to our new alliance for economic growth."

He said that so far, 24 major companies have committed themselves to twin plant projects "provided section 936 is preserved unchanged," and their commitments will mean \$114 million in new investments and 15 000 new jobs for the Caribbean.

"If President Reagan and Congress will permit us to transform these commitments into bricks and mortar, machines and jobs, the result will be a

welcome increase in Caribbean employment, and an increase of more than 50 per cent in new US investments since President Reagan's initiative. And all this has been set in motion in only the first 10 months," the Puerto Rico Governor stated.

He noted that the giant electronics firm Intel was one of those companies and has pledged to place an additional \$40 million into its computer operations both in Puerto Rico and in Barbados.

But, Governor Colon, stressed all this was threatened because of moves to repeal Section 936.

"The twin plant concept depends fundamentally on the fate of 936. That section attracts the investments which create the wealth, which in turn is deposited in our Development Bank and which will be directed to twin plant projects.

"Without 936, we will not have the necessary capital, and we will not have a single company, to invest in twin plants. Without 936, half of all the resources marshalled for President Reagan's historic initiative could be lost, and it is hard to see how that loss would be replaced.

"The case is so compelling that one almost wonders why it has not already carried the day. Surely the Administration does not want or welcome a situation in which its major domestic initiative — tax reform, is at war with one of its major foreign policy initiatives, the effort to strengthen the societies and the economies of the Caribbean and Central America. The price of progress at home cannot and should not be retreated abroad," Governor Colon pleaded.

He added: "There are those who say that Puerto Rico is late in recognising its common bond with and responsibility to the rest of the Caribbean."

"To those I say, there is a new administration in Puerto Rico, and we appreciate that the waters that wash your shores reach ours as well, the problems that beset your people and mine can often be tackled best when we work together."

In a final plea to those present, Governor Colon said "So let me convey to you a request as well as a pledge — that you will help us to save Section 936 — so that we in turn can help your nations to help themselves."

JAMAICA, TRINIDAD LEADERS MEET; SEAGA TO PAY RETURN VISIT

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 85 p 1

[Text]

KINGSTON, Mon., (Cana)

THE Prime Ministers of Trinidad and Tobago and Jamaica met here today and agreed to continue working to facilitate increased trade.

Trinidad and Tobago's George Chambers also invited his Jamaican counterpart Edward Seaga to visit Port-of-Spain and local officials said the trip could take place in February.

Few details have so far emerged on the discussions between the two leaders, but a brief Jamaica Government statement confirmed that bilateral trade was the major focus.

The statement said the leaders reviewed the progress in implementing their recent agreement to remove bottlenecks to Kingston-Port-of-Spain trade.

Under a recent bilateral agreement, Trinidad and Tobago decided to remove its licences for certain imports from Jamaica, while Jamaica lifted certain requirements which Port-of-Spain considered to be barriers to timely payments for exports.

It was generally agreed by both sides that the discussions were enlightening and useful and that such residual problems as might exist in the implementation of the July trade agreement would be immediately addressed to their speedy resolution, the Jamaica statement said.

In a toast to Seaga at the luncheon Chambers said their discussions had taken place in an atmosphere of conviviality, frankness and genuine friendship.

He expressed the hope that the friendly and almost long-standing relations which exist between the two coun-

tries will continue," Chambers said.

Seaga said the talks provided an opportunity to affirm the strength of their ties, and he added: "We can honestly say that our discussions during this visit breathed new life into that well-worn phrase, strengthening relations between states."

"Those ties have been strengthened as we have had a chance to discuss matters of interest and importance to our two countries and peoples."

Officials here say that the Jamaicans were now pondering the idea of Seaga going to Trinidad and Tobago in February and that the official visit could possibly coincide with an invitation by the West Indies Jaycees for Seaga to address their conference at that time.

The Prime Minister was undecided about the February 15 invitation from the Jaycees because this is only November and his diary was beginning to look a bit full, a senior official said.

But with the Trinidad and Tobago invitation those dates could be looked at again, but it is early yet and things are not decided, he added.

/9274

CSO: 3298/161

TRINIDAD, JAMAICA OIL COMPANIES WEIGH JOINT VENTURE

Port-of-Spain EXPRESS in English 19 Nov 85 p 48

[Text]

KINGSTON, Monday, (CANA) — Trinidad and Tobago's state-owned National Petroleum Company Ltd (NP) and Jamaica's Petrojam are discussing a deal under which Petrojam would establish a lubricant plant and blend NP's products under licence.

"National Petroleum is at present having discussions with Petrojam with a view to exploring the possibility of blending our lubricants here in Jamaica because it would be cheaper than our blending it and shipping it (to Jamaica)," NP's chairman Richard Toby said in an interview here.

Toby said the negotiations between NP and Petrojam had been taking place free of direct government involvement on either side

and he did not expect the matter to come up during talks here today between Prime Minister Edward Seaga and Trinidad and Tobago's George Chambers.

Neal and Massey, the Trinidad and Tobago conglomerate with subsidiaries here, was also in on the discussions as the possible marketers for the products in Jamaica. Chairman of the company Sidney Knox is in Miami for the annual Caribbean Basin Initiative Conference and could not be contacted for comment.

In the past year, NP has developed markets in Antigua, Barbados, Grenada, Dominica and St Lucia for its regular motor oils and a multi-grade product.

It now has its eyes on Jamaica for the licensing arrangement.

Toby indicated that Petrojam,

a 33,000-bpd oil refinery bought by the government three years ago, was already thinking in terms of establishing a lubricant plant.

Toby could not give technical details about the plant, but said he did not think the cost of its development to be "very considerable."

NP would provide the oil and the additives required for the blending of the products which would carry the NP name.

Toby also indicated that they were looking additionally to markets outside the Commonwealth Caribbean if the deal proved feasible.

"The discussions have gone very far," he said. "Only last week one of our senior officials was in Jamaica."

Petrojam officials were unavailable for comment.

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RETIRED ARGENTINE MILITARY VISIT NICARAGUA

Buenos Aires EL PERIODISTA in Spanish 7 Nov 85 p 10

[Article by Pablo Buccini]

[Text] During the period of the military dictatorship the only Argentine military personnel who travelled to Central America or stayed for a time in Honduras were the advisers of the counterrevolutionaries who were attacking Nicaragua. Recently, a delegation of democratic military personnel and former combat soldiers in the Malvinas was in Managua to express solidarity with the Sandinist government and study the results of aggression on the ground and the political climate in which people live in this fraternal country.

A group of retired Argentine soldiers and former combatants in Malvinas recently spent a week in Managua to observe the war which that Central American country is living through and to take note of the level of integration between the people and the men under arms in the defense and deepening of the Sandinist revolution.

The members of Latin American-Argentine Unity (UALA) and of the National Center of Former Combatants in Malvinas visited several combat areas. They attended an exposition organized by Hugo Torres, the chief of the Political Directorate of the Sandinist People's Army (EPS) and met with leaders of the Sandinist National Liberation Front (FSLN) and of the opposition.

Col (Retired) Cesar Diaz explained that "before our trip we were aware of the drama of the aggression which Nicaragua is going through, but here we were able to take note of its pathetic and cruel character. In Nicaragua we saw the old concept of total war and the nation in arms take shape, but here it goes further, because it is the people who have taken up arms."

He also complained about the distorted view of the Nicaraguan situation which some of the information media in Argentina provide to the people, due to the fact that "there is a fear of all of what the liberation of the people means, which rapidly relates any such process to Marxism and antinational views, whereas here we found that an authentically national revolution is being developed."

Colonel Garcia applauded the policy of the Argentine Government of giving full support to the peace efforts in Central America undertaken by the Contadora Group (Colombia, Mexico, Panama, and Venezuela), although he considered that the administration of President Raul Alfonsin "is in a position to provide greater assistance to Nicaragua."

Miguel Angel Trinidad, president of the Center of Former Combatants in Malvinas, emphasized that "this experience made it possible for us to become acquainted with the Armed Forces of Nicaragua and to note the democratic and fighting spirit which inspires them, from the first to the last of its men."

He also declared that "we should return the spirit of solidarity which the Nicaraguans offered us during the war in Malvinas, because we are both victims of the same enemy and we have a common destiny to experience." Argentino Foremny, another former combatant, pointed out in the same sense that "we will take back to our country a message of peace from the people of Nicaragua, to redouble our feelings of solidarity with their just struggle."

Brig Gen (Retired) Carlos French pointed out that "I have seen a people who are fighting for their liberation, the common objective of all of Latin America. Here this people has achieved levels of patriotism which are moving and unforgettable. This country is a lighthouse which should guide the peoples of Latin America to achieve the kind of unity which General Peron prophesied would become a reality." Lt (Retired) Alex Obal recalled that "in our view this revolution, with its particular characteristics, is an example, not only for revolution as such but also for the historic origins of the Sandinist Front."

In the name of the UALA Julio Cesar Urien, a retired marine and its secretary general, turned over to Commander Torres a replica of the sword of General San Martin "because," he said, "he was the father of our fatherland and the symbol of the liberation of half of a continent. For that reason we consider that this is the best kind of recognition which we could give this people."

Trinidad turned over to the Sandinist People's Army a portrait of San Martin and announced that in December another group of former combatants would arrive in Nicaragua to spend a few days with the young men who are at the war front, with the dual objective, he emphasized, of increasing our feelings of solidarity and observing and comparing the treatment which the soldiers receive here with what they had during the war in Malvinas in 1982.

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INTER-AMERICAN AFFAIRS

BRIEFS

DOMINICA-GUYANA TRADE--Roseau, Dominica--Dominica's Agriculture Minister, Charles Maynard, yesterday said possibilities existed for increased trade between the island and Guyana. Mr. Maynard also expressed hope for better trading relations with the South American republic at the end of a meeting with officials of the Guyana Ministry of Trade. A government statement said the meeting took place during the recent Caribbean Community (CARICOM) ministers of agriculture meeting in Georgetown. The statement said that Dominica's soaps were well received in Guyana and Cominica recently decided to take a first order of sugar from Georgetown. Mr. Maynard believes that there are ways in which Dominica can improve its trade with the benefit of the two CARICOM member states, the statement added. It did not elaborate. [Text] [Bridgetown DAILY NATION in English 22 Oct 85 p 8] /9274

CARIBBEAN FISHING TALKS--Fisheries officials from Caricom Member States and Martinique will discuss cooperation in exploiting fisheries in the Caribbean during the four-day 38th meeting of the Gulf and Caribbean Fisheries Institute in Fort-de-France, beginning November 11. At the meeting, invited speakers will discuss topics including fish, shrimp and conch harvesting and management of Caribbean fisheries. In addition a fishermen's workshop will feature the practical application and role of marine science. While in Martinique, Caricom fisheries officials will meet their French counterparts to pursue cooperation in areas including aquaculture research and training, fisheries legislation and regulation; measures for conservation of the marine environment and control of pollution. Manpower training and development, with emphasis on fishing methods, boatbuilding and marketing are other areas of cooperation. [Text] [Georgetown GUYANA CHRONICLE in English 29 Oct 85 p 4] /9274

CSO: 3298/161

BARROW WARNS TRINIDAD, TRADE RETALIATION NO BLUFF

Bridgetown DAILY NATION in English 14 Oct 85 p 3

[Article by Tony Best]

[Text]

IN WHAT might have been a warning, Barbados' Minister of Foreign Affairs, Senator Nigel Barrow, has said his country was not "bluffing" when it threatened to retaliate by imposing restrictions on Trinidad-made goods if that country didn't implement the Nassau Accords soon.

"There is no room for bluff," the minister said in New York when told about a comment of some United Nation observers that Barbados was bluffing and would not go through with its threat because of its fears of triggering a Caribbean trade war.

Speaking during an interview, Senator Barrow, who is also the Minister of International Trade, suggested that Trinidad and Tobago had over-reacted to the currency devaluations in Jamaica by imposing a licensing regime and foreign currency restrictions that have dealt a savage blow to Barbados' trade with Trinidad.

Those moves by Trinidad and Tobago, he added, had certainly contributed to the high unemployment rate in Barbados.

Stranglehold

"What we want to do is to get out of this stranglehold which has got us, not with just an unac-

ceptable high level of unemployment, but a level of 19.3 percent," he went on. "I shudder to think that unemployment could have been that close to the 22.5 percent reached in 1975. We need to get out people back to work."

Senator Barrow said that he met his counterpart from Trinidad, Errol Mahabir, while both of them were in New York recently for the 40th session of the United Nations' General Assembly. They discussed the trade problems between the two countries and they will meet again soon, possibly in Nassau when they accompany their respective prime ministers to the Commonwealth leaders conference.

According to the minister, Barbados was concerned that after an agreement had been reached in Nassau and after the matter was reviewed again at the Heads of Government Conference this year at Sam Lord's Castle, St. Philip that a particular country would take unilateral action not to implement the measure.

The licensing system and the currency restrictions gave rise to the threat by Barbados to "impose like treatment for like goods," but Senator Barrow said that his country preferred not to take retaliatory measures.

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CSO: 3298/158

ST JOHN COMMENTS ON NASSAU UNDERSTANDING, REGIONAL ISSUES

Bridgetown SUNDAY SUN in English 27 Oct 85 p 35

[Interview with Harold Bernard St John, prime minister of Barbados, by Tony Vanterpool, SUN editor]

[Text]

LAST July, Harold Bernard St. John as Prime Minister of Barbados, was involved in his first major engagement since being thrust into the top position following the death of Tom Adams. He headed the Barbados delegation to the CARICOM Heads of Government Summit at Sam Lord's Castle, St. Philip.

Mr. St. John emerged from the summit as a Caribbean man of action; as a Caribbean Head who showed a commitment to Caribbean unity

and as a leader who was not afraid to speak his mind.

Last month, he sent a ripple through the Community when in an exclusive interview with SUN Editor, Tony Vanterpool, he hinted at the drastic action that could be taken against Trinidad and Tobago if that country failed to sign the Nassau Agreement.

In this Question and Answer session, he throws new light on the CARICOM situation.

Q: Mr. Prime Minister, one of the most heartening events to come out of your recent visit to Nassau must be the announcement yesterday that Prime Minister George Chambers of Trinidad and Tobago will be visiting Barbados next year. Is this an indication of improved relations between Barbados and Trinidad? Was the opportunity taken for bilateral follow-up talks on matters of mutual interest arising out of the Sam Lord's Castle Heads of Government meeting?

A: Of course. We had bilateral discussions not only with Prime Minister Chambers, but also with President Hoyte of Guyana and, coincidentally, the Secretary General of CARICOM, who was also in Nassau and also Prime Minister Vere Bird and Prime Minister Edward Seaga.

Barbados as the current chairman, also had to tidy up a few matters in relation to representations to the United States about Caribbean Basin Initiative (CBI) and a few other things, with the other prime ministers. That is why the secretary general was involved.

Q: Were these bilateral discussions very meaningful?

A: Definitely. All of us recognised as I understand it, the need for the decisions that were taken at Nassau (The Nassau Agreement on CARICOM trade and so on) to be carried into effect. The question though is that some countries want to do it in relation to their budgets and different people have different fiscal years.

It was explained to us that there is the commitment to Nassau's but that the appropriate budget time is, in the opinion of some, the best way to handle that.

Q: If you had to describe the present relations between Barbados and Trinidad and Tobago, what would be your observations?

A: I would say that they understand our position very clearly and that we understand their position. There has been a lot of contact at an official level — of technicians as it is called sometimes — and at the foreign ministers level and at the Prime Ministers level; and we will have more between now and the end of January.

Q: What is the present situation as far as British West Indian Airways (BWIA) is concerned?

A: Well I think it is most remarkable that air services don't seem to be much of a problem anymore. They know very well that we are exceedingly interested in the expansion of air services to Barbados because of our dependence on tourism and because of the fact that we believe, with justification, that the modern tourists from the tourist generating countries, wish to be able to travel to their preferred destinations with a minimum of transfers of airplanes as possible.

I think that it is now well recognised that if we are to improve our summer performance in the United States of America and in Canada, we have to get destinations coming from the western United States ... we must have services from those points.

Barbados has made it very clear that we are interested in that, and we have gone further and we have said: "We know it is unreasonable to expect other people to provide those services for us, we are willing to do those services as a joint venture with a member of the Caribbean. If we can't get it done in the Caribbean then we would have to look outside."

That position now is well known. I don't think that people are in any way now thinking that when we say we want these services done and that we are going to do them, that we are spiting any particular airline. We are just letting it be known quite clearly that you must have the equipment, the manpower and the capacity generally to do these services and we want them, done quickly.

Q: Generally speaking what would you say is the significance of Prime Minister George Chambers' visit to Barbados? Will it augur well for the future of the two countries?

A: Prime Minister Adams had issued an invitation which I reissued and since then we have been trying at the technical level to iron out a lot of the problems which were set out in the Press as being in existence and set out by some informed politicians.

There were a number of issues in which there were differences of approach, and we certainly set out our opinion very clearly as to which approach we think was the best for Barbados. I have no doubt that, if you read the other newspapers in Trinidad and around, that periodically their opinion was set out as they saw it from their points of view.

But the point is that we have reached a sufficient clarity of our respective positions, and I think the visit indicates that the narrowness of the gap now makes it sufficiently evident that considerable progress can be made in the finalisation of the furtherance of cooperation, not only at a bilateral level, but at CARICOM level.

Q: Were you able to have any bilateral talks with the head of the host country, Prime Minister Findling? If so, what important matters came up for discussion?

A: We had a number of talks on the problems of drug control and things of that kind. As you know, in Nassau, Prime Minister Findling was chairing the meeting and it is very difficult for a chairman to do anything else.

But I was very pleased to discover how well respected Barbados was in Nassau; not only in Government circles but generally in the community. We had a very, very successful reception hosted by our Honorary Consul at his home for Barbadians there. Some 400 of them turned up and we

were able to discuss a number of matters.

Some of the Barbadians there were in business and the professions and some of them were actually selling Barbadian products which were introduced after the Bahamas Summit in '84 and the Export Promotion Corporation had taken a mission there.

I am pleased to say that I actually went into a shop to buy some goods and the first shirt that they offered to sell me was one from Barbados; an Andre shirt. They are selling furniture. They are selling water heaters; some pepper sauce and of course rum. I have been told that the Bahamas market is a sophisticated market and it is a market... although it may be small in relation to other markets... that we shouldn't neglect, and a number of our manufacturers are not neglecting it.

In one of their top quality stores, one of the salesmen who had sold me the shirt, told me he had built up such a relationship with a supplier in Barbados, that if he was short of a particular type of shirt which was in popular demand he would just pick up the telephone and call the gentleman who would put his order on an Eastern Airlines flight.

So I think the work which has been done in that area is good; the Honorary Consul is really working hard; we are going to expand that trade. We have the blessing of the Government of the Bahamas, although they are not members of the Caribbean Economic Community.

The Permanent Secretary in my office and the Permanent Secretary in the Ministry of International Trade, had detailed discussions with the Honorary Consul up there as to how much more they could do with a little more financial help from Barbados.

Q: You have mentioned a lot about the Bahamas, but were there other governments with which you held bilateral discussions?

A: We talked with Guyana and Jamaica. Of course Jamaica had just come back from the World Bank and IMF meetings and they actually delivered the speech on behalf of the Caribbean at the IMF.

On the problem of debt in the developing world and in the Caribbean, we have both Guyana and Jamaica, suffering from the impact of debt

and the fall in commodity prices, which has hurt all debtor countries greatly because they have a very high proportion of their foreign exchange earnings (dwindling because of the fall in commodity prices) going toward paying their debts.

That is a problem that Jamaica is particularly interested in. Mr. Seaga articulated very well the trap that a country finds itself in where, whatever adjustment measures it takes, and they seem to work, then another commodity price falls at a faster rate than the adjustment measures can produce. Guyana has the same kind of problem. That was well articulated.

Obviously the CARICOM countries gave them full support. Now this problem is not only a Jamaican or a Guyanese problem. The countries from Africa talked about the same problem. The point is that the economies of these developing countries are economies that are dependent to a large extent on one or two commodity prices. And if the commodity prices are generally depressed, then they will have less foreign exchange earnings to pay the high interest rates.

What is very interesting now is that some of the developed countries have now recognised this problem because they themselves are also dependent on exports. The United States is a country in particular that has recognised that the fall in the price of agriculture exports has affected them more; you have a large number of farm banks that are going broke in the mid-west and in other parts of the United States.

This may well be the reason why there has been a reported change in attitude of the United States spokesmen at these international multilateral meetings. It is generally accepted that the United States has now agreed to the position which was formerly taken that an adjustment programme needs a much longer period of time than the IMF and the World Bank were saying.

So, the inter-dependence of the world has come to the fore and it looks as though a consensus is arriving at the fact that adjustment has to be paid for, and if it is not carried out in conditions where the developing countries can earn the foreign exchange, then the developed countries will eventually be affected.

I also of course was present at the luncheon which was hosted by the Canadian Prime Minister and at which all of the Caribbean territories were informed of the Canadian Government's decision on requests that had been put to them in February on trade by the Government of Jamaica ... you know we signed an air services agreement with Canada.

All in all, great progress was made on some of the thorny issues of CARICOM and I am hopeful that our position is well recognised. We will continue to try to see how we can improve our bilateral relations with all of the governments in CARICOM.

Q: In a nutshell, how do you perceive the future of CARICOM as far as the Nassau Agreement is concerned? Are most of the irritations out of the way? Can we look forward very soon to good trade relations with all our partners?

A: I think the implementation of Nassau will take place. As I understand it, there are various dates now or appropriate dates by which Nassau will be implemented. In the meantime one has to take into account the representations by manufacturers, that those countries which have not implemented, are getting an unfair advantage in certain markets because our consumers are giving them protection. The Government has put in machinery to mitigate the effect of this unfair advantage.

It is called 'like goods treatment' ... it is not tit-for-tat or anything like that ... it is treating like goods in a like

way. I think that everybody recognises that it is a reasonable and honest thing to do, that if you don't do that, people who export to you will take advantage of your protection, whereas your manufacturers who export to them will not have the benefit of the protection.

Also all those countries in the lesser developed territories that need to have the change in their value added, understand very clearly that their goods cannot be eligible in the countries if they don't change the value added because that is what the law says it is in the other countries.

Everybody now recognised that it is an international agreement and that it ought to be carried out; I believe there is strong evidence now that it will be carried out ... maybe not as fast as we all would like it, but the point is that we have arrived at the position in which we are reasonably sure that it will be carried out; we have the deadline on which they will carry it out and I am an optimist; I believe it will be carried out.

Q: One final question. What is Guyana doing about her indebtedness to Barbados?

A: As you know, from the Sam Lord's conference the Guyanese Government indicated there was a number of commodities that could be exported from Guyana to the rest of the Caribbean and they appealed to the rest of the Caribbean to buy more goods from Guyana. They indicated they would allow some of the foreign exchange to be used by way of reduction on a bilateral

basis of the debt.

That is working and I must say that an open invitation was issued to all of the businessmen in the Caribbean who had good marketing skills or international contracts to try and develop joint ventures with Guyanese businessmen, both the public and the private sector, with the view to improving this trade ... not only by their selling more to us but also by helping them to sell in third world country markets.

Our businessmen have taken up this challenge and there are some interesting developments taking place.

President Hoyte reiterated his position when he said that the Guyana resources were there and that they would welcome private investment from the rest of the Caribbean on these terms and conditions. They have put it in their budget and of course that is what we are trying to work on.

Trinidad is working on it; we are working on it, and some of the people in the Windwards and Leewards are working on it.

As I said in a public speech, when a man owes you a little bit of money he is your debtor; when he owes you a lot of money, he is your partner. I am afraid we have to help Guyana both at the international level to receive a better bargain in relation to the flow of multilateral assistance, as well as we have to encourage our people to try and identify joint venture projects with a view to seeing how together we can exploit the undoubted resources. That is what we have to do. That is the reality of the situation.

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TRADE WITH CARICOM NEIGHBORS REVIEWED IN LATEST REPORT

Central Bank Release

Bridgetown BARBADOS ADVOCATE in English 14 Oct 85 p 1

[Article by Jewel Brathwaite]

[Text]

Barbados which is now seeking to work out a more healthy trading relationship with Trinidad and Tobago has so far this year seen its imports from Jamaica increased by a whopping 36 per cent.

This is stated in the Central Bank's newly released Economic and Financial Statistics for the month of September.

The Central Bank's bulletin also shows increased imports from Trinidad and Tobago, a national debt which has surpassed the \$1 billion mark for the first time in the island's history, and foreign reserves which have climbed to Bds\$284 million at the end of July.

Barbadian imports from Jamaica between January and June this year amounted to Bds\$14.6 million, compared to the \$10.7 million for the same period last year.

Barbadian exports to Jamaica between January and June were valued at Bds\$4.6 million, and for the corresponding period last year \$4.2 million.

Imports from Trinidad were valued at \$50.2 million down from the \$62.1 million over the corresponding period last year. Exports so far this year amounted to just over \$14 million, down from the \$32.5 million over the same period last year.

Barbados and Trinidad and Tobago are expected to resume their

negotiations at this week's Commonwealth Heads of Government Conference in the Bahamas. The two countries held a day of talks in Port-of-Spain last week but officials were mum on the discussions.

The talks are focussing specifically on trade, aviation, and the Caricom Multilateral Clearing Facility (CMCF).

The two countries are seeking ways to resolve their trade differences and stave off a threatened trade boycott, which Barbados has promised unless Trinidad and Tobago lifts its restrictions on Barbadian goods.

The restrictions have been blamed for some of the job losses in Barbados. The CMCF collapsed in 1983 leaving some \$120 million outstanding to Barbados.

Meantime, the country's national debt has now gone to Bds\$1.003 billion at the end of July this year. For the corresponding period last year the national debt stood at \$912.5 million.

While the foreign component was reduced by \$2.3 million, the domestic component was increased by \$13 million between June and July.

The domestic component of the national debt at the end of July was Bds\$596.8 million, and the foreign component \$407.9 million.

The country's foreign reserves were \$284 million up to July. For the same period last year they were \$238.8 million.

Import, Export Figures

Bridgetown BARBADOS ADVOCATE in English 14 Oct 85 p 1

[Text]

Barbados increased its total exports to the Caribbean Community (CARICOM) and managed to trim its overall trade deficit during the first half of this year, but its trading problems persisted, official figures just released here show.

Total imports were down, but the gains were offset by falling exports.

The trade deficit dropped by almost \$18 million, from \$257.59 million for January-June 1984 to \$239.64 million, according to the figures from the government's Export Promotion Corporation.

Imports were down \$57.40 million, from \$655.97 million for the first six months of 1984 to \$598.57 million last June.

Total exports fell by \$39.45 million from \$398.39 million to \$385.93 million.

"During the period under review, total exports to CARICOM...recorded an increase of \$13.4 million, or 18.8 per cent when compared with the January-June 1984 figure," the Corporation said.

"This was mainly due to the substantial increase in re-exports of oil to Guyana, the aggregate for which stood at \$31.4 million."

The picture for domestic (totally Barbados made) exports to CARICOM was different.

"Domestic exports to the CARICOM region declined by Bds\$14.4 million, or 29.9 per cent, below 1984's amount," the Corporation reported.

"Within CARICOM, domestic exports to the MDCS (More Developed Countries) declined by 46.4 per cent to \$20.5 million while domestic exports to the LDCS (Lesser Developed Countries) increased by 34.1 per cent to reach \$13.2 million."

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OPPORTUNITIES FOR TRADE WITH VENEZUELA NOTED

Bridgetown BARBADOS ADVOCATE in English 13 Nov 85 p 1

[Text]

Barbados' ambassador in Venezuela, Mr. John Connell, has said that "the present mood of that country's Government towards Caribbean islands is a very positive one" and Barbados must take advantage of it.

Speaking to media personnel on a recent LIAT tour of Venezuela, Mr. Connell said if Barbados wanted to take advantage of its contact with Venezuela and other Latin American countries "it must make certain adjustments."

He noted that hot sauce and rum were the only products from Barbados that have "caught on" in Venezuela. The handicraft items did not make it because they were too highly priced, and most of the items that were sent could already be bought in Caracas.

"In dealing with Venezuela, you must look at the country on a short-term and long-term basis. It is potentially one of the richest countries in the world. They keep finding more and more oil and it is reckoned that the oil reserves are approaching those of Saudi Arabia. The country is also well endowed with mineral reserves," said Mr. Connell.

Mr. Connell said Venezuela was poised for economic take-off and Barbados must prepare to deal with the Latin American country more effectively.

He suggested that scholarships to Venezuela should be offered Barbadian students, and other incentives to study Spanish.

"We should develop a corps of young people who are prepared to visit Latin America and take advantage of it," he said.

"I think that as a country with a very high percentage of literate people we need to be more adventurous. England, France, Italy and other industrialised European countries, as well as the United States and Canada, understand the importance of Venezuela and are sending not only diplomats but business people to ex-

plore opportunities in Venezuela."

There is an agreement between Barbados and Venezuela known as the San Jose Agreement under which Barbados buys crude from Venezuela at concessionary prices.

Mexico is the other "donor" under the agreement and Jamaica the other beneficiary in the Commonwealth Caribbean.

Mr. Connell noted that Barbados was now producing some 50 per cent of its oil needs and the assistance under the San Jose Agreement would be needed much less than in the past. Barbados is seeking to divert some of that assistance to prospecting for oil, he said.

According to the ambassador, there are many Venezuelan businessmen who are interested in investing in Barbados to take advantage of the United States sponsored Caribbean Basin Initiative (CBI).

"I think that this is a very promising area in which Barbados can derive benefits from Venezuela," the ambassador said.

Turning to LIAT's entry into Venezuela, Mr. Connell said it was not only important to bring Barbadians to Venezuela but "on the reverse" to take Venezuelans to Barbados.

He suggested that tourism officials and travel agents in Barbados become more competitive and attract not only the Venezuela tourism market but venture into other Latin American states like Columbia, Uruguay and Argentina.

"The low value of the bolivar is an official advertisement for Venezuela but I do not think that the bolivar will remain at this value indefinitely..."

"I envisage that the Venezuelan economy could well pick up significantly between now and the presidential elections in 1988. That is why I am saying that we should be 'in there' early so that when it resurges, we would be able to do business in greater magnitude," Mr. Connell said.

ANONYMOUS LEAFLET LAID TO DLP; PPM DISCLAIMS ANY LINK

Bridgetown SUNDAY ADVOCATE in English 20 Oct 85 p 4

[Article by Henry Christopher]

[Excerpts]

THE DEMOCRATIC Labour Party (DLP) will have to forgive Barbadians who have remained unimpressed and unconvinced by the party's belated attempt to try to distance itself from that notorious anonymous leaflet that has been in circulation about the country.

And it is not that the DLP selling pitch has been a miserable failure because Barbadians-at-large are cold, cynical and untrusting beings.

Rather, they have rejected the D.L.P. protestations because over the years since the 1976 change of Government that party through various organs and methods has been conducting a nonstop anti-Barbados Labour Party (BLP) campaign of gossip, rumour, lies and character assassination.

Over the past nine years, the Barbadian public has been submerged by this negative D.L.P. propaganda mostly in the verbal form from the party's political platforms.

But what has been the major characteristic of these newly-found converts to public meetings, is the ongoing low-level of content in speeches in which the overriding emphasis has been on attacking the personalities of members and supporters of the Barbados Labour Party.

Not only that, but there has also been a close and unbroken level of support given the D.L.P. by the primary purveyors of political poison in the form of the so-called People's Pressure Movement (P.P.M.). After a while the public

began to see the D.L.P. as a less raucous and vulgar example of what the P.P.M. spouted from its platforms. How we all remember the Pele Parris murder scandal!

But there are also a number of other important reasons why people have a number of questions in their minds about the party's attempt last weekend to disassociate itself from the leaflet.

To begin with, the leaflet has been making the rounds in Barbados for a few weeks now. People are understandably wondering why it took the D.L.P. so long to renounce the leaflet, its contents and its advocacy of an anti-B.L.P. demonstration.

Some people have been asking whether this recent D.L.P. move was not triggered by the party's realisation that there was a widespread perception that the leaflet was the type of thing with which the D.L.P. had become identified, but that this time matters had gone too far and ordinary persons were filled with revulsion by its contents.

The D.L.P. then would have detected that there was a very real and pressing danger that the party could be critically damaged by the public's association of it with the leaflet, particularly with General Elections in the offing, and the D.L.P. trying to persuade the electorate that it was getting ready for this major political event.

In addition, the call made for D.L.P. supporters and members to stay away from the demonstration urged by the leaflet and not to accept copies of the document,

came at a time when it was known that police officials were carrying out investigations to determine the authors and distributors of the scurrilous and libellous leaflet.

Public scepticism also grew out of public knowledge that there was nothing in or about the leaflet to directly or explicitly link the D.L.P. with it. Why then the need for the D.L.P. to protest the existence of the leaflet and the nature of its contents.

Because of the extreme contents of the leaflet, it would have been hard to imagine either B.L.P. supporters or decent fair-minded politically uncommitted persons being motivated by the leaflet to turn up for or take part in any

demonstration it summoned.

Clearly those who could benefit politically by any such demonstration would have been the D.L.P. The call last weekend was therefore properly directed to DLP members and supporters.

As it stands, the leaflet has ushered in a new low in the political life of this country. Nobody can be sure what damage has been done yet. All we can hope for is that the public will reject it as decisively as it did the rumours that were associated with the Pele Parris murder that other great scandal with which the Dems tried to bring down the BLP in the lead up to the 1981 General Elections. Will the Dems ever learn?

[The BARBADOS ADVOCATE of 22 October 1985, page 2, reports reaction from People's Pressure Movement leader Eric Sealy:

[Political leader of the People's Pressure Movement (PPM), Mr. Eric Sealy has indicated that his party has nothing to do with the distribution of "a leaflet referred to by political columnist for the Barbados Labour Party, Henry Christopher."

[Mr. Sealy said yesterday that it was unfortunate that the columnist should use so respected a newspaper as the SUNDAY ADVOCATE to confuse the people.

[The political activist said that he had publicly disassociated both himself and his party from the leaflet, the distribution of which Mr. Sealy said, was "wicked."

[He added that Mr. Christopher made it seem as though both he and his party were agents for someone or another party, which was indeed untrue. Mr. Sealy stated that his party campaigned for the underprivileged in Barbadian society and to speak out on the wrongs which it saw being done by anyone or any political party.]

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SUGAR SUPPORT PLAN ANNOUNCED; OTHER FARMING STRESSED

Emphasis on 'Total Farming'

Bridgetown SUNDAY ADVOCATE in English 27 Oct 85 p 1

[Text]

Government's 1985-86 price support for the local sugar industry might contain provisions requiring the farmers to become more involved in "total farming," to cushion "its losses from sugar with increased incomes earned from other activities."

This was stated by Parliamentary Secretary in the Ministry of Finance and Planning, Mr. Owen Arthur, as he delivered the feature address at the annual general meeting of the Barbados Agricultural Society (BAS) yesterday.

Mr. Arthur told the gathering of

agriculturalists that he was not at liberty to discuss the specific features of the coming price support, but he said there were two important issues which had to be faced "in this process of adjustment."

The first, he said, was that the sugar industry had to begin utilising some of its considerable technological and research capability in support of alternative agricultural opportunities.

The second was the need to update the industry's management practices to create "a modern, industrial type

management organisation."

Mr. Arthur further stated: "There can be little doubt that a strong measure of industrialisation must be brought to bear on the development of non-sugar activities."

"Farms of a viable size must be created, and operators capable of programming the use of machinery, farm inputs and credits must be encouraged to develop. The recent experiences at the Springhall Land-Lease Project suggest that there is still a long way to go before such total farmers evolve."

Livestock Plan

Bridgetown SUNDAY SUN in English 27 Oct 85 p 44

[Text]

GOVERNMENT shortly is putting into operation a livestock development and non-sugar export revolving fund.

This was disclosed by Permanent Secretary in the Ministry of Finance and Planning, Owen Arthur, at the annual general meeting of the Barbados Agricultural Society (BAS) at the Bethel Auditorium yesterday.

He said: "Together with the conversions condi-

tions for the 1985 price support, they should go a long way in underwriting the expansion of agricultural activities designed to earn or save on the use of foreign exchange."

However, Mr. Arthur warned of the tendency to romanticise the role of small scale farming and said that a strong measure of industrialisation must be brought to bear on the development of non-sugar activities.

"Farms of a viable size must be created; and operators capable of programming the use of machinery, farm inputs and credits must be encouraged to

develop. The recent experiences at the Springhall Land Lease Project suggest that there is still a long way to go before such total farmers evolve," he stated.

Mr. Arthur called for a more consumer oriented approach to domestic marketing in support of expanded demand; with a view of introducing to the households, ways of using and processing locally-produced commodities.

Expressing his sympathy to the BAS for the financial difficulties it was presently facing, Mr. Arthur said a joint partnership between that organisation and the Barbados Sugar Industry Limited could be a harmonious one and he did not envisage any clashes of sociology.

Price Support Program

Bridgetown BARBADOS ADVOCATE in English 6 Nov 85 p 1

[Text]

The Barbados Government yesterday released details of another price support mechanism for the local sugar industry.

But Agriculture Minister Dr. Richard Cheltenham in piloting the package through Parliament warned that if the industry cannot become more competitive, no amount of price support in the context of the economy can save it in the long run.

The 1985 programme consists of two elements: an on-budget grant of \$10 million and a \$10 million Barbados Sugar Industry Limited (BSIL) bond issue, with Government guarantee.

Dr. Cheltenham told the House of Assembly that the 1985 programme was framed to give effect to a holistic approach to agriculture which saw production as a component of an increasingly diversified system of agro-industries.

There are several objectives of the programme. They include:

- The maintenance of sugar production at a level commensurate with domestic and foreign premium price markets;

- The promotion of selected crops which either had proven remunerative in foreign outlets (such as cotton and cherries), or which offer substantial scope for import substitution (peanuts and onions);

- Rationalisation of crop location (the reduction of cane production on unmechanisable sites);

- Improvement of the financial position of growers and the processing company;

- Reduced exposure of the banking sector (particularly the Barbados National Bank, to doubtful sugar industry debts); and

- The establishment of a modern management system with a comprehensive agro-industrial orientation in BSIL.

Dr. Cheltenham said the outright Government grant was justified on two grounds.

He said that in the first place it partially compensated the industry for

the loss of earnings from sales to the European Economic Community (EEC) as a result of the strength of the American dollar, and to which the Barbados dollar was linked.

"In effect the industry has been the victim of an over-valued exchange rate," Dr. Cheltenham said while noting that Government had resisted the general devaluation of the Barbados dollar.

In the second place the Minister, recalling that Government was watching the debt position of the industry, said Government was of the view that the debt should be increased moderately by further issues of sugar industry bonds to finance price support.

He pointed out that conditions attached to the support measures were that the "industry develops an appropriately structured cost accounting system" to meet the requirements of a diversified product mix, and in compliance with the informational requirements of the Sugar Industry Act.

Dr. Cheltenham said that as in the past producers with bank debts will have support payments credited to their bank accounts.

Growers who register as suppliers of BSIL and who deliver up to 400 tonnes of gross cane in 1985, will receive their shares of both Government grant and the proceeds of the BSIL bond issue as outright payments. Large growers will receive their share of the proceeds of the bond issue in the form of loans convertible into grants, subject to certain conditions agreed to between the Government and the industry.

Dr. Cheltenham said that in order to benefit from loan conversion, growers must hold delivery contracts, for, or furnish evidence of sales of a certain volume of nonsugar products designated by the Ministry of Agriculture.

"We are not going to dictate to farmers what they should grow," he said, noting the farmers bore the risk of losing money if they did not join in the diversification effort.

The House was adjourned last night until noon on Tuesday, December 3.

Call for White Paper

Bridgetown BARBADOS ADVOCATE in English 6 Nov 85 p 1

[Text]

The Opposition Democratic Labour Party (DLP) has called for a comprehensive White-paper on Agriculture.

Opposition MP Mr. Warwick Franklin said in the House of Assembly yesterday that it was time a White Paper on Agriculture was brought to that chamber so that many queries on the sector can be raised.

Mr. Franklin was leading off his party's debate on the 1985 price support mechanism introduced in Parliament by the Minister of Agriculture Dr. Richard Cheltenham.

Mr. Franklin said that in particular his party wanted to know whether there was any parallel support to non-sugar agriculture and indeed other sectors of the economy.

The St. Philip-North MP also demanded that the Government tell the House what was the position with the incomes the estates were making from non-sugar agriculture.

He said that the sugar barons had made tremendous amounts of profits from sugar, while the plantations were earning large sums of money from non-sugar agriculture.

Mr. Franklin said that all Government was doing was allowing the industry to survive since it was on its back. However, he said that while the industry was surviving, it was not reacting and enquired from Government the price the country was paying to keep the sugar sector alive.

Mr. Franklin pointed out that the country had to face the distinct possibility that the loans being made to the industry might have to be written off and cautioned that should that happen it would be a situation where the industry would have benefited from \$60 million.

The DLP parliamentarian also enquired from Government about the level of sugar production targeted as well as the number of people employed in the non-sugar sector.

His contention was that non-sugar was employing the same number of workers as sugar.

He said there was a lot of talk about diversification but he wanted to know what was being done for such crops as yams, sweet potatoes, ginger lillies, and cut flowers.

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NATIONAL BANK HAS '84 LOSS; HAYNES SEEKS PROBE

Bank's Optimism

FL081800 Bridgetown CANA in English 1606 GMT 8 Nov 85

[Text] Bridgetown, 8 Nov (CANA)--The state-run Barbados National Bank has reported a 1.1 million dollar (one Bds dollar; 50 cents U.S.) loss for 1984, but says it anticipates greater efficiency and lower operational costs in coming years. The bank's net loss for last year was 400,000 dollars less than for 1983.

The annual financial summary said the need to provide five million dollars for bad and doubtful debts was the disappointing factor in 1984. This was 600,000 dollars more than in 1983. It added: Improvement in the economic situation and tighter credit control will reduce this provision in years to come.

Deposits grew last year by 22.8 million dollars, which the bank said reflected the confidence the public had in the future of the institution. Shareholders equity was 7.6 million dollars, 1.1 million dollars less than it was at the end of 1983.

However, the bank needs to provide a wider range of services from which it may generate income. The percentage of non-interest income is far below the national average, the bank's report added.

The investment in new technology and the organisational changes which are being put into place should result in greater efficiency and lower costs of operations in the longer term, the report said.

Opposition Assessment

Bridgetown DAILY NATION in English 6 Nov 85 p 3

[Text]

THE STATE-RUN BARBADOS NATIONAL BANK (BNB) recorded a deficit of more than \$100 million in the financial year, 1984, Opposition

spokesman on finance, Dr. Richie Haynes, said yesterday.

He was reacting to a statement by Prime Minister and Minister of Finance, Bernard St. John, that the bank's operations had shown an improvement in that period.

Dr. Haynes told the House of Assembly that according to the 1984 report, the bank's accumulated loan losses had increased by \$4 million to \$18.4 million in the past year.

He said the bank had reported

a gross loan figure of \$293.2 million but the interest on that figures was \$5.2 million, which he charged was not an international convention in accounting.

Dr. Haynes explained that interest should not be more than the bank's accrual over a three-month period and the departure from standard principles of banking accounting made it appear to be about \$3 million to \$4 million better than it should.

In addition, Dr. Haynes said, last year, there was a substantial re-scheduling of debts. However, he pointed out that he was not questioning the integrity of the auditors but the Prime Minister's assertion that this method followed common practice.

He said it was evident that there had been a lot of non-performing loans, which had not yet

been classified as losses. And, he noted that the bank's undistributed losses had further increased by \$1 million, thus further eroding its shareholders' capital, a situation which, in any other bank not benefiting from a Government guarantee, would have necessitated an injection of between \$15 million and \$20 million.

Dr. Haynes called on Government to look carefully to determine whether there was a continuing role for the Agricultural Division of the bank; since in the future, its role would be a largely developmental one which should be divorced from the bank's commercial activities.

He also felt that the bank's assets in the commercial sector should be substantially expanded, despite the fact that the moderate growth in the past year had not been reflected in the profitability position.

However, Dr. Haynes conceded that the BNB may have taken some undue risks that "conceivably" could have been in the public interest.

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CSO: 3298/159

LOCAL 'PRESSURE GROUP' PUSHES ANTI-APARTHEID STAND

Bridgetown BARBADOS ADVOCATE in English 28 Oct 85 p 1

[Text]

"The Southern African Liberation Committee (SALC), a local pressure group has stated that it will stage a demonstration today outside the British High Commission in Bridgetown.

Leader of the pressure group, Mr. Michael Cummins, said the "peaceful protest" was against Britain's refusal to impose economic sanctions against South Africa to get a better deal for blacks.

It will be held outside Barclays Bank on Roebuck Street from 11.30 a.m. until 1.30 p.m. Police permission has been granted.

It was also to show how strongly Barbadians felt about the continuing problems in South Africa, where blacks suffer under a system of racial segregation.

Mr. Cummins complained that Britain's stand was hindering the progress of liberation in Southern Africa. He said that the demonstration was timed for the visit of Queen Elizabeth on which the local and international press were focusing.

The Queen is due here today for a 32-hour visit.

Mr. Cummins said, "The public is invited to lend the demonstration their support."

[The BARBADOS ADVOCATE of 31 October 1985, page 2, reports that

["The Southern African Liberation Committee (SALC) is continuing its programme to enlighten Barbadians about the situation in southern Africa.

["On Tuesday the SALC presented a set of books on Namibia (South West Africa) to the History Department of the Barbados Community College. The books cover such topics as the history of Namibia, apartheid, and the ravages of war on that territory.

["In a brief address during the presentation ceremony, Mr. Cummins told students that the SALC was formed in 1977 and officially launched in March of the following year, the anniversary of the Sharpsville massacre. He said the organisation was a non-Governmental one and operated independently of political parties in Barbados."]

/9274

CSO: 3298/160

BRIEFS

AIRPORT SECURITY--Government is planning to build a new police station at the Grantley Adams International Airport as part of measures to improve the security there, Attorney General and Minister of Legal Affairs, Mr. David Simmons said yesterday. The Fire Service Department at the Airport will be upgraded as well. Mr. Simmons, along with Commissioner of Police Orville Durant, other senior police officers and officials from the Ministry of Legal Affairs, toured the airport yesterday morning. Mr. Simmons said the touring party looked at ways to enhance certain security aspects at the airport, but he did not go into details. The touring party also visited a site for the proposed police station and the fire service department behind the airport. He added that with assistance from Canada, it was hoped to have more crash tenders stationed at the fire service department at the airport. Canada is assisting 13 regional countries including Barbados, with a major programme in upgrading the services and security aspects of 22 regional airports. Barbados has been chosen as the headquarters for the project. [Excerpts] [By Jewel Brathwaite] [Bridgetown BARBADOS ADVOCATE in English 19 Oct 85 p 1] /9274

BARROW ON CARICOM--Leader of the Opposition, Errol Barrow, observed in the House of Assembly yesterday, that when it came to paying their just dues to regional organisations, some CARICOM territories were belligerent. Mr. Barrow was speaking on a resolution to provide additional funds for the West Indies Shipping Corporation. He said that the country which benefited most and which needed WISCO more so than the others--Jamaica--was the territory with the biggest deficit. "The shipping service is beneficial to the Jamaican manufacturers and Jamaica is in the largest deficit," he added. Mr. Barrow said that he regretted the dismantling of the former schooner pool, adding: "That was a disaster." He also observed that Barbados has spent about \$100 million or more on freight charges to and from Britain and North America alone. "That has been a direct drain on our foreign reserves. We ought to develop an international shipping service since most of our traffic is with the north." He added: "If Barbados alone has spent \$100 million on external shipping, I have no idea but it must be astronomical what the whole Caribbean is spending on shipping from outside." [Text] [Bridgetown DAILY NATION in English 16 Oct 85 p 2] /9274

IDB LIVESTOCK AID--Government expects to receive funding from the Inter-American Development Bank (IDB) for a \$7 million integrated livestock development project. This was disclosed yesterday by Minister of Agriculture, Dr.

Richard Cheltenham, shortly after he signed a Letter of Understanding with the Inter-American Institute for Co-operation on Agriculture (IICA). IICA, in close collaboration with the ministry, will prepare a five-month feasibility study for the project and the loan application which Government will submit to the bank. Dr. Cheltenham said the idea of such a project originated in 1983 during an IDB project identification mission to the island. "Since that idea was born, considerable discussions have ensued and today, we are at what may be called the first stage of bringing the project into reality," he said. "This first stage will examine the livestock sector of Barbados with a view to formulating and analysing a bankable project." The minister said the IDB already had intimated it was willing to fund the project: if after evaluating the study, it was found to be a viable project. Dr. Cheltenham said the project, which Government hoped to embark upon, at the completion of the study, would attempt to remove the constraints of livestock development many of which have already been identified. [Text] [Bridgetown DAILY NATION in English 15 Oct 85 p 3] /9274

CENTRAL BANK RESERVES--Bridgetown, 9 Nov (CANA)--Barbados' foreign exchange reserves were 295 million dollars (one Bds dollar; 50 cents U.S.) at the end of August--a 33.6 percent increase over the corresponding month in 1984, the Central Bank reported. The bank's latest monthly financial report showed a 4.5 million dollar rise in August this year over the corresponding month of 1983. Total reserves in August this year were put at 298.5 million dollars compared with 225.6 million dollars in August 1984. A bank economist said the increase in reserves reflected inflows of capital from some private bank loans. [Text] [Bridgetown CANA in English 1302 GMT 9 Nov 85 FL] /9274

ITALIAN AMBASSADOR--Bridgetown, 12 Nov (CANA)--Barbados expressed the hope for an expansion of trade with Italy to the new Italian ambassador. Acting Governor General Sir Arnott Cato noted that last year, Barbados exported just Bds333,835 dollars (one Bds dollar; 50 U.S. cents) to Italy but imported 8.1 million dollars. This imbalance is typical of the trade flows between the two countries over the years, Sir Arnott told Ambassador Massimiliano Bandini when he presented his credentials yesterday. The Caracas-based Bandini also said he hoped the level of trade would expand to the mutual benefit of the two nations, which established diplomatic relations in August. [Text] [Bridgetown CANA in English 2245 GMT 12 Nov 85 FL] /9274

CSO: 3298/160

LEFTIST PARTIES LAUNCH OFFENSIVE FOR NEW ELECTIONS

PY240105 Madrid EFE in Spanish 0928 GMT 23 Nov 85

[Text] Rio de Janeiro, 23 Nov (EFE)--The leftist parties opposed to the government of President Jose Sarney will launch an offensive in the next few days to have new elections for the Brazilian presidency moved up to next year. The campaign is coordinated by the socialist Democratic Workers Party (PDT) and the Workers Party (PT), whose leaders will meet next week in Brasilia to approve immediate and medium-term action toward that objective.

The PDT head, Rio de Janeiro Governor Leonel Brizola, and the PT president, union leader Luis Ignacio "Lula" da Silva, have announced that they would analyze whether it would be useful to form an alliance for the next elections in this country.

Both parties broadened their political base through the results of the mayoral elections held on 15 November, when the addition of followers in the cities of Rio de Janeiro, Porto Alegre, Sao Paulo and Fortaleza, and in other regions made them the principal rival of the governing Brazilian Democratic Mobilization Party (PMDB).

However, the two parties plan to achieve the advancement of the elections in different ways. The PDT demands the calling of elections next year for governors, Congress and the Constituent Assembly and for direct presidential elections. For its part, the PT, which is Trotskyite, feels that first the convening of a National Constituent Assembly--initially planned for November 1986--should be moved up, so it could introduce a series of constitutional reforms and decide on the length of the presidential term.

The current Constitution gives President Jose Sarney a 6-year term, until March 1991, but the president himself has shown interest in reducing it to 4 years and calling direct presidential elections for the end of 1988.

However, the leftist opposition following of the PDT goes even farther and demands that Sarney leave power next year with the election of a successor, with the goal of reducing the terms and consolidating the transition to full democracy, which began on 15 March 1985.

The National Constituent Assembly will be charged with reforming the state constitution, setting the length of the presidential term, and insuring that the constitution will be in accord with the new democratic process.

The legislators agree that Brazil is currently being governed by a constitution that served the military regimes which administered this country for the last 21 years with laws that infringed on a number of civil rights.

/8918

CSO: 3342/36

POLITICIANS DIFFER AS TO FUTURE OF DEMOCRATIC ALLIANCE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 85 p 5

[Text] Ulysses Guimaraes, national chairman of the PMDB [Brazilian Democratic Movement Party], declared in Brasilia yesterday that the Democratic Alliance has not come to an end, despite the differences between the PMDB and the PFL [Liberal Front Party] in these elections, and to the contrary of what PFL Deputy Israel Pinheiro Filho asserted. According to him, these differences are confined to mere incidents of the electoral campaign: "Our commitments to the nation remain, according to the document signed by Tancredo Neves, Jose Sarney, Aureliano Chaves, Marco Maciel and myself," the deputy stated. But the whole depends upon the parts, and politicians throughout the country disagree in their predictions and opinions about the future of the Democratic Alliance at the national level. Notions vary from state to state. There are also those who feel that the Alliance never existed and those who even predict that the PFL will cease to exist.

The statements made the day before yesterday by Minas Gerais Deputy Israel Pinheiro Filho to the effect that his party, the PFL, should form a coalition with the PDS [Social Democratic Party] after the 15 November elections prompted strong reaction from the PFL itself as well as from the PMDB. In Goiana, the chairman of the PFL in the state of Goias, Wilmar Rocha, said that Pinheiro "has neither the political significance nor the party authority to make such a diagnosis with so much certainty." Rio Grande do Sul's deputy leader of the PMDB delegation in the state legislative assembly, Lelio Souza, asserted in Porto Alegre that the statements of Israel Pinheiro relate only to regional political problems, "to questions of minor importance related to the municipal elections." According to him, it is an "unacceptable inversion of values" to let "regional differences predominate over national objectives." And he added: "Extinction of the Alliance can be considered only after complete fulfillment of the commitments made to the nation at the time of its formation."

'Unity Threatened'

Some politicians, however, prefer not to make predictions about the future of the Alliance until after the elections. That is the case of Jader Barbalho, governor of Para. He said in Belem yesterday that "it is not appropriate" to make this type of analysis now: "During this election period, spirits are high and emotions are intense. Let's not make an examination until after 15 November." In Florianopolis, the leader of the PMDB delegation in the Santa Catarina state

legislative assembly, Roberto Motta, believes that only the result of the Sao Paulo election will establish the destiny of the Democratic Alliance in the nation. He feels that should Janio Quadros win, the alliance will come apart and "from that point on, the tendency will be toward formation of another front, even with the PDS."

In any event, however, PDS and PFL leaders are already considering a rapprochement after the elections, making the PMDB once more the common enemy. They claim to fear that the present government will become a one-party system, as occurred in Mexico with the PRI. These politicians want Sarney to bring about a new party alignment that will also affect the ideological front within the PMDB. The communications minister himself--the only PDS member in the cabinet--Antonio Carlos Magalhaes, predicts: "Just wait and see, after the elections many people more important than I will begin working for formation of a new middle-of-the-road party."

Another allegation of the PFL politicians favorable to a coalition with the PDS is their fear that the PMDB will impose its candidates for governor, as has already happened in several states in these elections for mayor. These politicians say they no longer trust in the solidarity of the Democratic Alliance since Aureliano Chaves and Olavo Setubal decided to support the candidacy of Janio Quadros in Sao Paulo. They want to persuade President Sarney that it is necessary to form immediately a new base of political and congressional support. And the PFL leader in the Chamber of Deputies, Jose Lourenço, acknowledges that the "unity of the Democratic Alliance is threatened" due to the many complaints he says he has been receiving from deputies about filling positions in some ministries.

But in at least two places--Roraima and Paraiba--the Alliance not only does not appear to be in danger but is also likely to become stronger. While the local PFL chairman is traveling throughout the state with the governor, campaigning for the Democratic Alliance, the chairman of the regional PMDB directorate, Silvio Leite, is asserting in Boa Vista that the Alliance "was born of a serious agreement between the two parties" that "is being consolidated and that nothing will be able to tear asunder." In Joao Pessoa, Governor Wilson Braga supported Maluf in the Electoral College, but he now supports the PMDB candidate for mayor of the state's capital. Even a coalition among the PMDB, the PFL and the PDS seems possible.

The mayor of Aracaju, Jose Carlos Teixeira, is another who does not think the Democratic Alliance is about to come to an end, especially in Sergipe. He thinks that Deputy Israel Pinheiro "forgot his usual reserve and the lessons learned from the PSD [Social Democratic Party] and arrived at precipitate positions and statements." And he added: "Each state is a separate case, as in the past, when the PTB [Brazilian Labor Party] would ally itself one time with the PSD and another time with the UDN [National Democratic Union]. Here in Sergipe," he asserted, "the Alliance is unshakable; only God can destroy it."

Inexistent

Something that was, without ever having been. This, however, is how several political leaders see the Democratic Alliance. For the founder of the PFL, ex-governor Elcio Alvares, the Alliance never existed. He said in Vitoria yesterday that the

statement by Israel Pinheiro doesn't change anything, because "the PMDB and the PFL were never for a moment united." In Curitiba, the chairman of the Parana PMDB, Senator Alvaro Dias, declared yesterday that "the municipal elections, besides breaking up the Democratic Alliance, will determine the fate of the PFL." He says that "now the PFL will return to its roots, that is, it will make alliances with the PDS and, in some cases, it may join the PMDB." And he adds: "The Democratic Alliance never existed, except for external appearances, as association with historic adversaries would be impossible."

Bahia may be the only separate case in these discussions about the Democratic Alliance. Despite the great advantage of the PMDB candidate for mayor of Salvador, Mario Kertesz, Bahia politics is dominated by the only minister in the present cabinet who belongs to the PDS: Antonio Carlos Magalhaes. Politics in Bahia is either pro-Magalhaes or anti-Magalhaes. The PFL is formed by former Maluf supporters who cannot bear to remain in the same party as Magalhaes and support Governor Joao Durval Carneiro. It is an auxiliary force of the PDS against the PMDB. For this reason, the majority of local politicians feel that the Democratic Alliance never existed in Bahia.

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CSO: 3342/26

CACEX DOCUMENT SCORES INCREASING U.S. PROTECTIONIST MEASURES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 85 p 39

[Text] Rio de Janeiro--About 8 percent of all Brazil's exports to the United States under the General System of Preferences (GSP) are threatened by protectionist measures, according to a document prepared by CACEX [International Trade Department] that was circulating in Rio yesterday during the regional seminar on the GSP sponsored by UNCTAD (United Nations Conference on Trade and Development). These exports represent 17 of the 1,200 items that Brazil exports to the United States under the system. The document considers the possibilities of increasing trade under this system to be limited--and is likely to suffer further restrictions in the future--although it calls the GSP an "open opportunity for expanding international trade."

Based upon these data, among others, CACEX Director Roberto Fendt made it clear yesterday that Brazil does not consider the protectionist measures of the United States and other developed countries justified, even with the current difficulties of the international market, in asserting that "much of the external disequilibrium of some of the major developed countries has more to do with internal politics than with the external adjustments" of their economies. According to him, "measures of a protectionist nature are not very likely to solve the problem."

Fendt made these assertions in the opening address of the seminar in the auditorium of the Bank of Brazil. To point out the importance of the GSP from Brazil's point of view, he stressed that 27 percent of the nation's exports are made under this system, now threatened by modifications contrary to the interests of several developing countries. And he cited figures: the total of 17,000 certificates issued by CACEX under the GSP in 1974 increased to 107,000 last year, representing more than a six-fold increase.

Fendt also emphasized that "expansion of foreign trade is a fundamental part of the Latin American development program," in that all the LAIA [Latin American Integration Association] together have only 4.9 percent of world trade, while only three countries--Hong Kong, Singapore and South Korea--have 4.5 percent of the same total. In absolute numbers, this represents, respectively, \$88 billion and \$82 billion.

Document

The document prepared for the seminar by CACEX experts points out "the complete absence of positive measures on the part of the industrialized countries for the purpose of collaborating with developing nations" for the latter to overcome in a concrete way the difficulties of their respective balances of payments. It also emphasizes "the growing protectionist pressures," the marginalization of various countries due to the war of retaliation between the United States and the European Economic Community, the pressures for including services in the next GATT round, "while discussions remain stalled on safeguards and tropical products" and the limitations of the GSP as an instrument for "creation of a new international order that is less unequal and unjust." The document also advocates "articulation of positions of solidarity in the Latin American group," which would lead to association with African and Asian countries, as well as greater regional integration within and outside of the GSP arrangement.

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CSO: 3342/27

OCTOBER TRADE BALANCE SURPLUS OF US\$1.1 BILLION ANALYZED

CACEX Head Reports Details

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 85 p 33

[Text] Brasilia--Brazil's trade balance for October had a surplus of \$1.109 billion, resulting from exports of \$2.373 billion and imports of \$1.264 billion. This raised the cumulative surplus for this year to \$10.253 billion, with exports reaching \$20.750 billion and imports, \$10.497 billion. These data were announced yesterday by the director of the Foreign Trade Department of the Bank of Brazil (CACEX), Roberto Fendt.

He stressed that the month of October had a surplus only \$12 million less than that of September, which makes it possible to predict that Brazil will meet its goal of a cumulative surplus in 1985 of \$12 billion. For this goal to be reached, November and December would only have to have surpluses of \$874 million, "relatively easy" results, according to the CACEX director, although the country must import large quantities of food during these months. Fendt explained that except for these imports the surpluses in the remaining months of 1985 would be around \$1 billion.

Fendt noted that the trade surplus for October could have easily exceeded that of September--the best of 1985, with \$1.293 billion--if the impasse between producers of oranges and processors of juice had been resolved. The nation exported hardly any orange juice in October, a period in which sales in the foreign market are always good. From January through October of this year, Fendt said, Brazil exported \$635 million of juice, 39.52 percent less than in the same 1984 period.

A feature of Brazil's exports in October was petroleum derivatives, which, although having the smallest value of these exports for any month in 1985, continued showing a cumulative growth of 6.55 percent in value of sales in the first 10 months of this year in relation to the same period last year. In October, according to Fendt, coffee continued to lead Brazil's exports, representing 10.4 percent of Brazil's total exports from January through October.

In the first 10 months of 1985, imports other than petroleum increased 3.5 percent in comparison with the same period of 1984. Petroleum imports in October were \$516 million, compared with \$484 million in September, an increase of 6.61 percent in only 1 month.

The rise of imports can easily be explained, according to Fendt, by the recovery of the Brazilian economy. To achieve a growth rate of 6 to 7 percent this year, the nation must increase its imports.

Further Export Increases Urged

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 85 p 24

[Editorial: "Increasing Exports"]

[Text] The trade-balance figures for October have been reported, with a surplus of \$10.2 billion in the first 10 months of this year, less than had been expected, due to the increase in oil imports, a fact that is likely to become more pronounced in coming months as a consequence of maintaining a higher rate of economic growth.

CACEX Director Roberto Fendt believes that we will easily reach the goal of exporting \$25 billion by the end of this year, as the remaining \$4.2 billion will be achieved in this month and next.

We will thus have a trade surplus of at least \$12 billion that, according to him, will not be greater only because the government must import some foodstuffs, such as rice, corn and meat. Through October, the cumulative surplus for the latest 12 months was \$12.4 billion.

The data reported by CACEX reveal, really, a cooling off of export activity, beyond the loss of commodity sales, especially of orange juice. The decline in sales of basic commodities was 7 percent in relation to the same period of last year. There is a need to increase Brazil's exports by 7 to 8 percent in real terms next year to cover the inevitable increase of imports, especially of petroleum, caused, as we said, by the maintenance of the current rates of economic growth.

An analysis of these figures shows that there is little cause for euphoria. So far, the trade surplus has been based on the reduction of imports in the first months of the year (they are only now increasing) and not on an increase in the expected--and necessary--rate of exports.

This is a fact that is confirmed constantly, showing that we will have difficulties in the not-too-distant future. Brazil's competitiveness abroad was impaired by the increase in domestic costs, by the change in the relationship between exchange rates and wages and, it cannot be denied, by excessive dependence upon the U.S. market, now shrinking.

The government must begin making plans for diversification and adoption of effective measures to increase exports starting in December (we cannot wait until January), as we will certainly have strong pressures for increasing imports, which did not exist during at least the first 6 months of this year.

To meet this additional demand and also to generate funds to meet foreign-debt commitments, there is only one solution: to export more. But how, if markets are shrinking and domestic costs are rising? Attention must be given to this problem, which is not of the future. It is a problem of today.

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CSO: 3342/26

EXTENSIVE MINISTERIAL REFORM IN FEBRUARY 1986 ANTICIPATED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 85 p 4

[Text] Brasilia--If indeed President Jose Sarney makes extensive cabinet changes in February, those active in politics will not be surprised, as the alteration is already expected, especially because the cabinet was chosen by Tancredo Neves and the campaign for election to the constituent assembly will force those who wish to be candidates to resign.

Deputy Jose Lourenço, PFL [Liberal Front Party] leader in the Chamber of Deputies, declares he has not discussed the subject with Sarney, nor has he heard him make any comment in this respect. After stressing that he does not know the president's position on cabinet changes, he mentions the deadlines for potential candidates' resignations, adding: "If he has to make changes, it will be all at once. A cabinet shakeup is made all at once, not in pieces."

Deputy Amaral Neto, of the Rio de Janeiro PDS [Social Democratic Party], also expects changes: "It was not Sarney who chose the cabinet, and the government, through its spokesman, has expressed dissatisfaction, as there are ministers who do not follow orders, that in fact disobey them; there are daily complaints." The congressman believes retention of the military ministers can be taken for granted, as they are generally unaffected by cabinet shakeups, being chosen by armed forces consensus or by the general staffs: "The military leave only when stability is affected," he recalls.

Amaral Neto is puzzled by only one thing: "I don't understand why the president keeps [Communications] Minister Antonio Carlos Magalhaes, who doesn't have the support of the PDS. Unless the support exists, although secretly."

Djalma Bom, PT [Workers Party] leader in the Chamber of Deputies, is not concerned about cabinet changes, as his opinion is that this merely reflects changes within the government. He says that cabinet positions should be filled differently: "The government should make out a list, with three names for each cabinet position, and submit it to public debate, a kind of election. This would be one way of avoiding the many mistakes that have been made."

Deputy Joao Gilberto, of the Rio Grande do Sul PMDB [Brazilian Democratic Movement Party], notes that a ministerial reform is inevitable due to the expected resignations and thus beyond the control of the president: "Many ministers will run for the constituent assembly, and changes will take place in any event," he says.

He points out, moreover, that Sarney must have difficulties governing with a cabinet inherited from Tancredo Neves and is thus entitled to try to appoint his own. But he risks one prophecy: "I believe he will have the same problems as Tancredo, who spent months trying to harmonize the various interests surrounding choice of a cabinet. Sarney will find himself in the same fix."

'Unavoidable'

Senator Helio Gueiros, PMDB leader, said yesterday that he does not have any information about a possible ministerial reform at the beginning of next year. But he acknowledged that, with resignation of the ministers who intend to be candidates for elective office, this is an "unavoidable reality," leaving the president free to decide whether he will make extensive changes all at once or replace his immediate advisers gradually.

For the assistant leader of the PMDB, Deputy Ailton Soares, from the moment that President Jose Sarney, in his statement on television this week, acknowledged that he inherited an unharmonious team, there is a clear possibility of his seeking to make it more harmonious, correcting the distortions he finds. It remains to be seen, according to the Sao Paulo deputy, whether the president is now satisfied with the ministerial team or not, but in any event there will be no way to avoid a cabinet shakeup of substantial proportions at the beginning of 1986.

8834

CSO: 3342/27

GOVERNMENT FORECASTS YEAR-END DEFICIT OF 72 TRILLION CRUZEIROS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Nov 85 p 31

[Text] Brasilia--The Brazilian Government will arrive at the end of the year with a cash (revenues minus expenditures) deficit of 72 trillion cruzeiros. The operating deficit of the public sector--discounting monetary and exchange corrections--will reach at least 2.5 percent of the Gross Domestic Product (GDP). These are the official government forecasts, based upon a GDP of 1.3 quadrillion cruzeiros and an operating deficit of 32.5 trillion cruzeiros.

For the coming year, the Brazilian Government estimates that again it will not be possible to balance public finances. Preliminary projections by SEPLAN [Planning Secretariat] and the Finance Ministry indicate for 1986 an operating deficit of around 1.5 percent of GDP, about 0.5 percent in 1987, and finally a small fiscal surplus in 1988.

In the first discussions with the International Monetary Fund (IMF) for a new agreement, there were profound differences in this respect. The IMF wanted a fiscal surplus as early as next year. To reach this objective, the Brazilian Government would have had to cut the investments of state enterprises more drastically, raise taxes--in short, forget about a growth rate of 6 percent.

Stabilization

The public deficit, as Planning Minister Joao Sayad reiterates, has exceeded all reasonable bounds and has become the Gordian knot for stabilization of the Brazilian economy. The critical point for rebalancing public accounts involves domestic and foreign debt, "a determinant element for the deficit and a big factor in the rise of interest rates."

In fact, as the official documents point out, the deficit does not signify simply that government expenditures for consumption and investment exceed its revenues. A fundamental characteristic of the deficit is that interest payments exceed 91 trillion cruzeiros this year. Thus, explains SEPLAN, the public sector is not in equilibrium simply because it spends more in investments than it takes in, but rather because the amount taken in, although sufficient to finance expenditures for investment and consumption, falls short of what is needed to pay the interest on the debts inherited from the past.

Of the 91 trillion cruzeiros, 65 percent is due to the foreign debt and 35 percent is due to the domestic debt. The increase in the operating deficit from the preliminary estimate of 1.8 percent to 2.5 percent of GDP is due mainly to the unforeseen increase of short-term debt, as explained by the planning minister. And the cash deficit, by September, had reached 40 trillion cruzeiros.

8834

CSO: 3342/27

AGREEMENTS IN CITRUS SECTOR PRICING POLICY, QUOTAS SCORED

Complex Issues Analyzed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 85 p 33

[Editorial: "Problems With Oranges"]

[Text] The negotiations for determining the price and the form of payment for oranges have finally ended. Two agreements were signed, conveying a very complex, if not to say worrisome, decision-making process, in view of the developments that may arise.

It all began with the customary impasse--that occurs annually--between producers and processors to establish the price of a crate of oranges. After marches and countermarches, CACEX [Foreign Trade Department] assigned a price of 20,000 cruzeiros per crate, without stipulating the terms of payment, feeling that the latter part was not within its jurisdiction. From that point on, new quarrels arose, as the processors refused to continue the payment terms of prior years, when they paid for freight and ICM [Merchandise Turnover Tax]. This is because they considered the cost of the raw material too high, causing loss of income from exporting the concentrated juice.

Later, a curious proposal was presented by the processors, in an effort to get around the problem: they would pay the producers within 90 days, provided that the government would permit stockpiling 100,000 tons of juice, in order to support international prices. In addition, 15,000 tons of the product would be distributed to small firms, who would assume complete responsibility for the ICM and would pay the producers within 90 days, rather than the 180 days initially stipulated. Perhaps inadvertently, the government took over this idea, presenting it as if coming from its own initiative, although it represented the position of only one company, as was learned later.

The problem is that the competing processors did not agree: after all, there is no point in carrying stocks if there is any possibility of having a more prudent pricing policy in terms of the international market. Acting on this basis, the dissidents proposed to pay the producers within 90 days (as they themselves had always demanded), besides rebelling against the monopoly power of the above-mentioned firm that wanted to saddle others with the cost of stockpiling. It should

be noted that the processors have not always been prudent during these last 2 years, when the crop failure in Florida led to big increases in the price of juice, some of them actually unrealistic, which aroused the resentment of U.S. citrus growers, now more determined than ever to reclaim their orchards. In other words, a medium- and long-term view did not prevail, but rather the desire for huge short-term gains.

As a matter of fact, the split among the processors could become beneficial, to the degree that it opens prospects for the end of the bureaucratic system of export quotas for juice. Curiously, the dissident firms ended up supporting this system, thinking that it could strengthen them against their other big competitor. It is precisely the competition among the giant firms that led to the existence of two agreements: the first, signed essentially by the sector's leading firm--now one of the few remaining members of the association representing it--and that proposes stockpiling, to the detriment of exchange receipts and free trade; the second, signed by the dissidents, who now support the demands of the producers, including the end of quotas.

The worst part of the situation was having the government acting without knowing fully the implications that retention of quotas would involve, adopting a strategy proposed by one firm and its allies, rather than making a thorough analysis of the interests at stake. The processors are now divided, the entity that represents them no longer speaks for the major part of production, but the government still prefers to go along with a quota system that is damaging to exports, as few companies can--as has indeed happened--enforce undue price increases, generating retaliation against the Brazilian product abroad. This has negative repercussions on the crop itself, which runs the risk of having to cope with unsatisfactory prices from now on if the agreement signed in Ribeirao Preto, which only serves to legitimize the distortions we have pointed out above, remains in effect.

Dissidents State Their Case

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 85 p 37

[Text] In Sao Paulo, four dissident member firms of ABRASSUCOS--Citrosuco, Cargill, Bascitrus and Citropectina--signed a document in conjunction with the representatives of the growers, formalizing their rejection of the agreement signed recently in Ribeirao Preto. These four companies represent over 50 percent of Brazil's output of concentrated orange juice and are now advocating an end to the system of export quotas and a policy of unrestricted free trade.

The document, signed in the offices of the producers' trade association--ASSOCITRUS--will be presented to Planning Minister Joao Sayau and CACEX Director Roberto Fendt Junior. It contains a rejection of the basic proposal contained in the Ribeirao Preto agreement, which stipulates creation of a 100,000-ton stockpile of juice, in compensation for paying the producers within 30, 60 and 90 days. This agreement also includes distribution of 15,000 tons to the small firms, although the latter must take full responsibility for paying the ICM.

According to persons who participated in yesterday's meeting in Sao Paulo, there is no point in building stockpiles to support prices abroad. It is up to the processors to establish prices compatible with the terms of the buyers, without

forcing unrealistic increases, as has happened on other occasions. They also feel it is preferable to assure a large exportable volume, as it consolidates Brazil's presence in the market and does not hurt its image, as long as prices are sufficient. Otherwise, competitors are likely to be resentful and run the risk of overproduction and consequent weakness in product prices.

These dissident firms accept the price reduction set by CACEX, from \$1,450 to \$1,150 per ton, but insist upon unrestricted free trade. ASSOCITRUS sources also report that they expected Frutropic to be present for signing the document, as the company has always favored the demands included therein. However, the processing firm's president is out of the country and signing of the document by Frutropic has been delayed.

8834

CSO: 3342/26

SAYAD TO INITIATE REFORM OF STATE ENTERPRISES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Nov 85 p 36

[Text] Brasilia--Planning Minister Joao Sayad announced yesterday that the government will make release of funds for state enterprises dependent upon proper management of each of them. For this, either the enterprise is to request a consultation and audit directed by SEST (Special Secretariat for Control of State Enterprises) or the government itself will take the initiative.

The government intends in this way to initiate a thoroughgoing administrative reform of state enterprises. Each company will be analyzed separately, and the audits will be made by private companies, or even by foreign companies with offices in Brazil. The government will make use of a \$6 million loan from the World Bank to conduct these audits. In the case of large companies such as in the electric-power sector, there will be a financial housecleaning, which does not exclude conducting an audit as well.

Sayad explained that, in the case of state enterprises that depend upon government funds, it is intended to require a kind of letter of intent. Anticipating the new rules, the EMPRESA BRASILEIRA DE NOTICIAS (EBN) went to the minister yesterday to request an audit and consultation. Carlos Marchi, its president, explained that the company has reached the "limit of efficiency" with its current structure. "And, in order to grow in a democratic manner, the audit will be important." The EBN intends in the future to extend its services abroad, in order to give the Brazilian version of events.

The planning minister further reiterated that the government intends to continue reducing spending by state enterprises. For this reason, he was surprised at reports attributed to Administration Minister Aluisio Alves to the effect that the public deficit will reach 246 trillion cruzeiros next year, compared with the original estimate of 211 trillion. "He must want to spend more money," the planning minister quipped.

PND

Not until Friday will President Jose Sarney have the first National Development Plan (PND) of his administration, whose final version is being worked out by the planning minister, Joao Sayad. Sayad's presence in Planalto Palace yesterday gave rise to expectations that the PND was finally reaching the president's hands, but

the planning minister managed to deflate this possibility: "The document is still being revised, and I am going to go over it point by point," said Sayad.

Sayad left Planalto Palace praising the speech made by Sarney the day before yesterday on radio and television, and he said there is ample reason to believe the country is back on track. "There is no danger of a derailment," he joked. But he chose not to be optimistic in predicting the rate of inflation for November. "Will we still have double-digit inflation?" asked a reporter, which drew a prudent reply from the planning minister: "I think it is still a little early. We have 20 more days to see how it comes out."

Investments

Sayad today is pursuing his crusade to try and convince businessmen that the time has arrived to reinitiate productive investments, because the nation's economy is under control. Today Sayad will give an optimistic explanation of the economy to the leaders of the Brazilian Association for the Development of Basic Industries (ABDIB).

8834

CSO: 3342/27

PRESIDENT, MILITARY COMMANDERS VIEW ELECTIONS

PY252130 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Nov 85 p 5

[Excerpt] Brasilia--The subject of the returns of the 15 November municipal elections, and, especially the performance of candidates Janio Quadros in Sao Paulo, and Saturnino Braga in Rio de Janeiro, was on the agenda of the 20 November meeting of the Army, Navy and Aeronautics high-commanders, who met to discuss and vote on the list of candidates to be promoted to generals on 25 November.

A governmental source yesterday reported that during the meeting of the Armed Forces high command, the returns of the 15 November elections were analyzed. From a specific point of view, the military commanders analyzed the situation of Rio's governor, Leonel Brizola of the Workers Democratic Party [PDT] after the victory of his party's candidate on 15 November. The spokesman said: "In the opinion of the generals, Rio's governor is not a threat to the country's redemocratization process, although he always causes concern, because of his known caudillo brand of politics."

Meanwhile, President Sarney yesterday commented on the two mayors who proportionally got the highest number of votes--Jackson Barreto in Aracaju, and Dante de Oliveira in Cuiaba, both members of the Brazilian Democratic Movement Party. He said the government's performance is below the people's expectations. This situation was reflected in the municipal elections. However, he promised to speed up reforms, mostly in the social field. The mayors repeated to the press Sarney's remark when he made that promise: "The government will take more action in 1986."

/8918

CSO: 3342/36

BRIEFS

EGYPTIAN PLANE HIJACKING CONDEMNED--Brasilia, 25 Nov (AFP)--The Brazilian Government today strongly condemned the hijacking of the Egypt Air Boeing 737 jetliner to Malta and expressed deep regret for the death of innocent civilians in that act of terrorism. In an official communique released tonight in Brasilia, the Brazilian Government added that in order to solve the difficult situation prevailing in the Middle East, all parties involved will have to respect the law and the resolutions of international organizations. The communique concludes by stating that acts of terrorism are condemnable and are jeopardizing the solution of the Middle East conflicts. [Text] [Paris AFP in Spanish 0221 GMT 26 Nov 85 PY] /8918

NORTHEASTERN OIL PRODUCTION RECORD--The northeastern oil production region has set a new production record. Rio Grande do Norte, Ceara, and Maranhao together have achieved record production of 66,863 barrels per day. Bahia state's production this year increased by 3.16 percent compared to the January-October 1984 period. A total of 25,450,719 barrels were produced during that period of time. [Text] [Brasilia Domestic Service in Spanish 2100 GMT 26 Nov 85 PY] /8918

RECONNAISSANCE VEHICLES TO U.S.--ENGESA [Specialized Engineers Inc] may supply 820 Uruvel reconnaissance vehicles to the United States. According to the terms of the ongoing negotiations, the vehicles may be built in the United States in partnership with a U.S. industrial firm. The negotiations foresee cash payment for the 820 vehicles, the price of which amounts to \$510 million. Of this amount, ENGESA will receive \$250 million. ENGESA President Jose Luis Whitake has said that the deal is not yet closed. However, he pointed out that this order may be followed by others for a total of more than 3,000 vehicles. This means a sale of \$1.86 billion on the basis of a price of \$620,000 per vehicle. [Text] [Rio de Janeiro O GLOBO in Spanish 22 Nov 85 p 1 PY] /8918

ARMORED VEHICLES IN LATIN AMERICA--The Colombian Army is not the first land force on this continent to use the Brazilian Cascavel and Urutu combat tanks against guerrillas--even in urban conditions. In Bolivia and Chile, traditional clients of the manufacturer, ENGESA (Specialized Engineers, Inc), the vehicles have been used regularly in military anti-terrorist operations for at least 10 years. In fact, throughout Latin America, only Argentina and French Guiana do not have armored vehicles produced and furnished by Brazil--which, curiously, is only the third largest buyer, surpassed in numbers by the Chilean and Colombian armies. In surrounding the M-19, the Urutu EE-11 cars were used as troop carriers and the Cascavel EE-9 tanks, armed with 90mm guns, carried out the attack and occupation of the building where the guerrillas were. At least one Brazilian has fallen victim to the action of armored vehicles made in his own country: newsman Rodolpho Gamberini, of the Globo television network, arrested when covering the coup in Bolivia in 1981 that overthrew General Garcia Meza. Arrested in the middle of the street, Gamberini was taken to a barracks in La Paz for interrogation--in an Urutu, made in Sao Paulo. [Article by Roberto Godoy] [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 85 p 5] 8834

CSO: 3342/26

HOMEOWNERS ORGANIZE TO REDUCE PAYMENTS, PREVENT FORECLOSURES

Santiago HOY in Spanish 28 Oct 85 pp 30-32

[Article by Hugo Traslavina and Patricia Verdugo]

[Text] Ready to play their last card, the country's "mortgage victims" have decided to organize. There are close to 90,000 people who are about to have their houses foreclosed and lose everything. As the days go by and the debts are adjusted at the rate of the UFs, the number of victims grows progressively.

Although today these debtors are (or should be) paying 60 percent of the monthly payment, they are seized with a desire to receive new assistance from the government. That would help forestall the forced sale of their homes; to help those who had stopped making payments but have not yet been subject to foreclosure, to resume their payments; or to ward off the specter of moratorium for those who are current.

The renegotiations that began in 1983 "have served only to prolong the agony," according to the victims. There is no other explanation for the continued arrears, as if nothing had been done to solve the problem. Although the government has not revealed the number of debtors who are in default, the Superintendancy of Banks periodically reports the amounts that are unpaid.

Trampled Rights

The most recent figures were published last month, and are indicative of the speed with which the problem has multiplied. While in the first quarter of the year the sum of mortgage payments in arrears was 3.5 billion pesos, in July that figure had risen to 4.714 billion pesos. This means a hefty 34.6 percent jump in 4 months.

The statistics refer only to the mortgage payments that have not been paid, not the number of loans affected by default. This indicates that from the quantitative standpoint, the situation is much more serious for the financial system. But HOY has learned that the banks and the government do not want the public to be aware of the rapid pace at which the mortgage portfolios at risk are growing, "so as not to tarnish the good reputation mortgage deeds still have among investors."

But if the debtors decided to organize, it is because they face a social drama of incalculable proportions. The recently-formed Association of Mortgage Debtors of Chile (ADHICH) was explicit in its first public declaration:

"We express our most firm commitment to pay off our mortgage debts, but without exposing our families to hunger, humiliation, the loss of our homes, and the disintegration of the home. For this reason, we demand an appropriate solution that is commensurate with the socioeconomic situation of each of the parties involved."

ADHICH, which claims to defend the principles of ownership and family, explains that "if housing security is threatened by our having to make high payments (as a consequence of high interest rates and the adjustability of the UFs), by debts that have been renegotiated on disadvantageous terms, by court-imposed collections, auctions and court costs, there is no doubt whatsoever that the stability of the family will also be damaged and the right of ownership will be trampled."

ADHICH President Francisco Fernandez Mieres (who has been in default since the end of 1983) states that the organization "was born out of a need felt by hundreds of thousands of compatriots who are living under the threat of losing their homes as a consequence of the rise in payments and the decline in their income."

ADHICH is sponsored by Neighborhood and Community Action (AVEC), which is under the Archbishopric of Santiago. This group is striving to organize the debtors in "villages, towns, camps, cooperatives and communes" for the purpose of seeking mechanisms "to pressure the government to abandon its passive (or compliant) attitude and make it participate actively in solving the problem."

Urgent Demands

Luis Morales Nunez (an unemployed bank technician who is married with two children and has been in default since January 1984) is vice-president of ADHICH. He is concerned about the cohesion of the families involved:

"We felt obligated to organize because together we think that we can defend our families. We believe that we can make government officials more sensitive to the problem, because there have already been several incidents of suicide by parents who have been forced to the wall by debts and foreclosures. Thousands of families are living with the uncertainty that they may be thrown out in the street from one day to the next, and we even have to teach our children to lie and disown their parents when the receiver comes knocking at the door."

Although ADHICH has only been operating for a few weeks, "it has aroused a great deal of interest among debtors." The organization hopes to attain "sufficient representativeness" to reach the authorities with its most urgent demands: "the immediate suspension of all foreclosures and forced sales of our homes; the elimination of court costs and interest penalties; and the reduction of mortgage payments."

Fernandez adds that they are neither for nor against the UFs, "given that the root of the problem is the entire economic system, which distorted the social purpose of mortgage loans." In his opinion, "under any circumstances, there will always have to be some kind of adjustable unit for these loans, whether it is called the UF, UR, CIR, or whatever." At the same time, the adjustable unit "has to fit within people's payment possibilities, not like now when the UF keeps going up incessantly, while wages are frozen."

Vice-President Morales adds: "It's not that we don't want to pay. The problem is that we are not allowed to pay; the economic system is preventing us." For this reason, "the government will have to solve the problem."

The matter of lowering interest rates is essential, in ADHICH's view. According to Fernandez, this demand "is legitimate if we realize that the government also gave this to other sectors, such as truck drivers and businessmen in the productive sector." Then he gives an example of the advantages it would yield:

"If we have a debt of 1,000 UFs with a 12-year term and an interest rate of UF plus 12 percent, agreed to in 1978, the monthly payment would come out to 13 UFs. Now if the debtor has made his payments regularly from 1978 to 1985, and we reduce that interest rate to 6 percent (the truck drivers got it reduced to 5), retroactively, the payment would drop by 45 percent. In other words, he would pay only 7 UFs instead of 13."

The National Association of UF Debtors, headed by Celso Poblete (a mortgage debtor since 1983, in default since last June), has made a similar demand. This organization, with a little longer track record than ADHICH, sent a proposed solution to the government junta 2 months ago. In addition to presenting the foundations of the problem with a few examples, it proposed that the UF be replaced with a Housing Development Savings Quota (CAFH), and that the debts be renegotiated with a reassessment of homes back to 1980.

Celso Poblete explained to HOY that the request to reassess homes "stems from the fact that the value of these dwellings, due to the effects of the UF and interest rate adjustments, has risen disproportionately, and does not represent the real value." For example, a house purchased for 600,000 pesos 7 years ago (with a mortgage) is worth nearly 1.5 million pesos today.

8926

CSO: 3348/182

SOCIALIST ECONOMISTS CRITICIZE SALE OF STATE ENTERPRISES

Santiago EL MERCURIO in Spanish 30 Oct 85 p B-2

[Text] "The sale of stock in public enterprises amounting to between 30 and 49 percent of their capital is part of the well-publicized 'Popular Capitalism' plan," and it "represents a desperate attempt by the government to obtain new fiscal resources, put the financial system back on its feet and attract foreign investors."

This was stated by some socialist economists who called a press conference to explain their viewpoints. Participating were Ricardo Lagos, Jaime Estevez, Gonzalo Martner and Jacqueline Weinstein.

The latter indicated that with these sales, the economic team "is trying to attain the deficit reduction goals agreed to with the International Monetary Fund (IMF) and the foreign banks, which should be achieved without significantly raising taxes."

She added that with the sale of stock in enterprises such as the Chilean Electric Company, Ltd. (CHILECTRA), "the public sector obtains revenues just once to finance its budget and fulfill its promises to the IMF, but it gives up forever a considerable amount of future revenues for the benefit of private interests."

Jacqueline Weinstein stated that private participation in the administration and allocation of the public enterprises' surpluses "makes the long-term economic policy very rigid, in that they cannot be administered according to criteria of economic development, allocating resources to investments and modernization programs that have long maturation periods and that are chosen for considerations of social benefits and costs, without running counter to private interests."

The public enterprises, in the opinion of these economists, "are part of the historic legacy of the Chilean people. The attempt to turn them over to the private sector places them in danger of falling into foreign hands."

In the view of these economists, the AFPs are the principal national candidate for purchasing stock in the state firms. "This entails a double joke on the democratic conscience of the Chilean people," they stated, because it opens up

the possibility for the 12 boards of directors of the existing AFPs to participate in the administration of these large enterprises, and because "to a large extent the government's financial problems can be blamed on the creation of the AFPs. The government pays off old pensions and benefit obligations, while the AFPs receive the income from the new system."

With regard to the situation of the workers who purchase stock in these enterprises, they indicated that one potential risk is "the possibility that in collective bargaining the company will try to restrict pay raises, appealing to the workers in their capacity as co-owners."

They also noted that as the value of the compensation owed by the enterprises declines, "the cost of dismissals drops, thus jeopardizing job security." They went on to state that "with the small percentage of shares that the workers could control, they would remain outside key decision-making, and would incidentally have no right to claim compensation."

8926

CSO: 3348/151

CITIZENS' GROUP SEEKS HALT TO SALES OF STATE ENTERPRISES

Santiago HOY in Spanish 28 Oct 85 p 32

[Text] A group of professionals and union leaders sent a message last Wednesday to Gen Fernando Hormazabal, vice-president of the Production Development Corporation (CORFO) to stop the sale of stock in state-run enterprises to the AFPs and to national and foreign investors.

The authors of the petition are Hernan Bosselin Correa, Luis Pareto Gonzalez, Ramon Briones Espinoza, Alberto and Adolfo Zaldivar Larrain, Eric Campana Barrios, Ernesto Vogel Rodriguez, Pedro Araya Diaz-Valdes and Jose Ruiz Di Giorgio.

They indicate in their message that the state enterprises in question (Telephone Company, Metropolitan Chilectra, Chilectra Generation, National Electric Power, the National Telecommunications Enterprise, the Chilean Chemical and Mining Association, the Pacific Steel Company, the National Explosives Enterprise, and Chilean Laboratories) were financed with the savings of several generations of Chileans; they are monopolies; they are strategic; they provide basic services to the population; and as a whole, they have performed satisfactorily in economic terms.

The document goes on to call into question the eventual buyers. Specifically, it asserts that the AFPs are controlled by economic groups that have proven to be inefficient managers and will not guarantee the participation of affiliates in the venture. Moreover, it recalls that the AFPs are being sued in court "for the improper use of the so-called additional price."

Regarding private investors, the text notes that it is not right to subsidize their purchases of shares in state enterprises at a time when stock prices are depressed. And with reference to potential foreign buyers, the authors of the document raise objections "because this represents a threat to the essential interests of the national community."

In passing, the authors comment that it is contradictory for the government to sell off assets that should always remain in state hands, while it is doing nothing to resolve the situation of numerous businesses that ended up in its hands after the bank intervention of January 1983.

Finally, the document asks this question: "What is the purpose of beginning a highly ideological privatization process at this point, without any real or productive justification, implementing once again the neoliberal economic policies that have brought nothing but chaos to our economy?"

PRESIDENT OF SOFOFA SAYS INDUSTRY IN PERIOD OF STAGNATION

Santiago TERCERA DE LA HORA in Spanish 20 Oct 85 Supplement pp 12-13

[Interview with Ernesto Ayala Oliva, president of SOFOFA, by Maria Eugenia Oyarzun; date and place not specified]

[Text] The history of SOFOFA [Industrial Development Association] which recently celebrated its 102nd anniversary is strange. It goes back to the end of the 1879 war when the government told the National Agricultural Association to set up an institution to create industries to provide jobs for the soldiers who returned from the battlefield in the north victorious but unemployed.

The origins of SOFOFA were related to us by its president, Ernesto Ayala Oliva.

Ernesto Ayala, 69 years old and married with six children, is a civil engineer by profession. He has worked all his life creating or administering enterprises and industries. A recipient of the "Gold Medal" from the Engineers Institute of Chile, he has been the right hand man for former president of the republic, Jorge Alessandri, since 1957, managing the Paper and Cardboard Manufacturing Company. He has been vice president of that enterprise since 1981. As president of SOFOFA, Ernesto Ayala presided over the annual dinner for Chilean industrialists which the president of the republic attended.

Question: You maintained that you would like the "atmosphere of disorder that is periodically organized" to end. What was the reason for that statement? In your opinion, who is responsible for that disorder?

Answer: I am not involved in politics. Therefore, I don't want to point at anyone in particular. What I do know is that demonstrations that cause disturbances in the industrial and labor sectors in the country are carefully organized. I think it would be better for the workers themselves and for all of Chile if this atmosphere calmed down. Only a climate of hard and steady work for a long period of time will make us prosper. Anything else is illusions, not bread. The people live by eating bread, not illusions. Illusions are important for the spirit but bread is fundamental.

The truck drivers, the people whose vehicles are burned or whose articles are taken have human rights. The human rights of those people are as important

as those of any other person. When a transporter's bus or a truck driver's truck is burned, human rights are being violated.

Question: As SOFOFA celebrates its 102nd anniversary, how would you describe the industrialists? Alive, surviving or coming back to life?

Answer: I would say that we are alive. We Chilean industrialists have proved historically that we are capable of taking care of ourselves even in the worst crises. In the last 5 years, industrialists have invested \$1.5 billion in new machinery and industrial expansion. In the worst crises, like the one in 1981, the industrialists have known how to take care of themselves.

Question: According to Juan Carlos Delano, minister of economy, the Chilean economy is in "moderate growth." Do you share the minister's opinion?

Answer: I hope the Gross Geographic Product will grow a little this year, 1 or 2 percent. But, from the industrialists' point of view, there will be no growth in 1985. The data we have as of August indicate that industrial sales have increased 0.6 percent and production has gone down 1.9 percent compared to the same period last year. In other words, the data from indices prepared by SOFOFA show that there is stagnation.

Question: Minister Delano announced that the corporations will be able to make a voluntary, one-time technical reappraisal of their shares. What does this mean for industry? Is it a "pardon"?

Answer: No, it simply means that the balance sheets of the industries will show objective reality. What has happened is that during the years when the dollar was frozen, all the industrial machinery that was purchased in dollars did not increase in value. Therefore, a lot of industry has its machinery undervalued on its balance sheets because it was valued for a very long period of time with a dollar worth 39 pesos. The real appraisal will help the industries have real balance sheets. If its machinery is undervalued, obviously that industry appears to be in worse financial condition than it really is. It also has fewer guarantees to offer to the banks and might have less access to credit.

Question: Did the industrialists propose this idea?

Answer: Precisely.

Question: Minister Delano also announced a measure for a 10-percent refund to small exports. What does that mean?

Answer: The government really has proposed three bills to give incentives to exports. Minister Delano has described them. One indicates that the state will refund 10 percent for exports of less than \$2.5 million per year. Every small export industry--the figure of \$2.5 million is low--will receive a special refund of 10 percent.

Question: Does that mean a discount?

Answer: It does not mean a discount. It has been calculated that the taxes that those industries pay are about 10 percent of the CIF value at which the products are sold. This means that all the smaller industries--there are a lot--can export. Also the government proposed to improve Decree 1.226 which permits exporters to pay customs based on the amount exported in 7 years. If 40 percent of the production capacity of the equipment or the factory has been exported in 7 years, that equipment is exempt from customs. It is an interesting measure that existed and is now being improved.

We have proposed some basic ideas. We said that it would also be useful to reward large or small exporters that are capable of increasing exports compared to previous years. There should also be a refund, even if small, to those exporters that earn this reward.

Question: SOFOFA has been the defender of private enterprise. However, it is maintained that private enterprise, when it is doing poorly, becomes "socialized." What can you say about this?

Answer: That is not the philosophy of the industrialists. The proof is that the entire country has seen how many industries have gone bankrupt. None of these industrialists have gone crying to the state to ask it to save them. The proof is the very long list of these industrialists, longer than it should be. We turn to the state when our request not only benefits industry but also the common good. We do not advocate defending individual interests.

Question: Do you agree with the social market economy?

Answer: Yes, we are great advocates of it which does not mean that we are advocates of a jungle. The state must have fair rules which are simple and nondiscriminatory with everyone complying with them.

Question: But isn't the fact that the state sometimes passes norms and then quickly changes them harmful?

Answer: We believe that the rules of the game must be as stable as possible. The countries that progress the most are those that have stability.

Question: What is SOFOFA's proposal concerning the UF [Development Unit]?

Answer: We think that the UF is a means so that money that thousands of savers have placed in different systems does not become devalued. The largest amount of money placed in UF is that of the workers in the AFP. If the money of the workers is allowed to devalue, it automatically eliminates any chance to retire or have a profit for thousands and thousands of people affiliated with the AFP.

Question: Why did you propose that the Ministry of Economy become the Ministry of Industry?

Answer: We industrialists observe the Ministry of Agriculture and Ministry of Mining. There is a minister of agriculture who is politically responsible for the improvement of agriculture. If agriculture does not improve, surely the

president--this president or any other--will change the minister. The same is true of the minister of mining. Here are two ministers who are responsible for improving their sectors. From that point of view, industry is in a no-man's-land. We would like to have a top government official of this type who can be a valid intermediary for us, who feels and suffers over our problems. He could understand us. We are not asking for a new ministry but for the Ministry of Economy to change and take on this responsibility.

Question: You referred to a National Export Program. What do you propose?

Answer: We proposed several points, some of which have been considered by the government. In the first place, we said that to maintain exports in the long term, it is necessary to maintain a high dollar, or at least a reasonable one in the high range. There must not be a frozen dollar or a really low one as happened. A low dollar means that exports cannot be made. At the same time, it encourages imports because if someone is given dollars, he brings everything in from outside. He does not buy anything on the domestic market and that paralyzes all national industry. In short, we advocate a dollar in the high range to encourage exports.

We also maintained that Chile cannot export taxes. There is no country to which a third country pays taxes. Therefore, burdening exports with taxes simply means stopping exports. We proposed that taxes, particularly customs, on supplies be refunded to each industry so that sales abroad are free from taxes. We proposed this for all Chilean exports. The government partially accepted this idea. It is only going to refund to the smaller export industries. We also maintained that it was important to give incentives to export consortia so that the smaller industries that cannot export because they are relatively small can combine into export consortia and thus send large quantities to the market. The Japanese are masters at this.

Question: You said that the VAT was a "paralyzing tax." Were you referring to the VAT as an export tax?

Answer: I was referring to the fact that current provisions state that payment of the VAT for construction is not considered a tax credit; consequently, it cannot be deducted. Now if an industrialist must construct a shed for a factory, he must pay the VAT on the construction of the shed and cannot deduct that VAT. Consequently, his shed costs 20 percent more. To me, that is a capital tax.

Question: You also referred to the high interest rates that have had to be paid on debts. Have those interests gone down a little?

Answer: In the first half of the year, interest rates were very high, about 22 or 23 percent in hard currency for medium or small enterprises which means the majority. Fortunately, there has been a downward trend now in the interest rates. We want this struggle to lower the interest rates to continue. High interest rates paralyze sales.

Question: You pointed out the need to "normalize" the situation of the private enterprises in the hands of the state. How?

Answer: Each case is different. However, the concrete fact is that because of the intervention of the banks, a lot of industries that were in debt to these banks were turned over to the government to administer. They are the ones that Lamarca very correctly called "enterprises in the odd sector" because they do not have owners. The state is not the owner but is temporarily administering them. We feel that "enterprises without owners are like ships without rudders." We think that nothing functions better than in the opinion of the owner. "Beauty is in the eye of the beholder." That is the truth. Some of the administrators are very distinguished and I don't criticize them but they are administering--with good intentions--things that are not theirs. This must end because we feel the continuation of this situation is ferment for socialism.

Question: Do you think that if a socialist government took power at this time, it would have the facilities to act?

Answer: It would not be hard for it to keep all these enterprises. Therefore, we think that this package of industries that the state is temporarily administering must be returned to the private sector, whether by selling them, handing them over to their former owners or doing whatever should be done.

Question: Do you think this transfer should be done through popular capitalism?

Answer: I think that any way would be good. Popular capitalism, bidding, can be useful if it is done as honestly as possible.

Question: Why do you think that the fact that the foreign debt has been renegotiated for 3 years has been an incentive?

Answer: It provides tranquillity in the sense that the government knows what the situation of its foreign accounts is going to be. It can handle the monetary policy properly and, consequently, it can establish rules of the game for a longer term. That leads to a more stable economy, without so many abrupt changes every 6 months.

Question: Do you think that the political situation that the country is experiencing hurts short and medium-term investment or do you think that the lack of tranquillity is more artificial than real?

Answer: I think that the calmer the political and economic sectors are, the greater confidence there is abroad toward a country. The Chilean situation looks awful from abroad. However, I travel a lot internationally selling pulp and paper and I see that all the countries have serious political problems. There are neighbors of ours to the north like Colombia where insecurity for business executives is enormous. Therefore, there is no serious incentive for investment. There are other countries that have other problems. The whole world is in turmoil. Anyway, I believe that Chile has many prospects. This country has always known how to get out of complex political situations and I don't see any reason the current position won't change with time. I think we will change for the better.

Question: What do you think about this so-called "National Agreement"?

Answer: I don't want to give an opinion on that. It is a purely political matter and, by principle, I strongly advocate that SOFOFA not meddle at all in political affairs.

Question: Are you optimistic about your sector?

Answer: Yes, I think there are important projects in progress. In Magallanes, for example, there is enough security that they are going to construct two large plants for Magallanes gas derivatives, one to manufacture methanol and the other ammonium urea. About \$750 million will be invested in Magallanes. COCAR [Coal Company] is a coal mining enterprise that has already arranged a financial package to begin coal mining in Magallanes. This would contribute enormously to the supply of coal in the country. The cement industry has expansion projects totaling \$250 million. The textile industry in recent years has invested about \$300 million. I see that, despite the crises and difficulties, we continue investing and growing.

7717

CSO: 3348/116

CERTAIN FOREIGN PRIESTS SEEN AS FOMENTING UNREST

Santiago QUE PASA in Spanish 24 Oct 85 pp 52-56

[Article by Mariana Grunefield with Soledad Gunckel; passages enclosed in slantlines printed in boldface]

[Text] "I declare under oath that during my stay in Chile I will not intervene in its internal politics, nor will I engage in acts that could cause annoyance to those with whom Chile maintains friendly relations; I will respect and obey its Political Constitution and the laws, decrees and other provisions that prevail in the territory of the Republic. I also declare that all the facts I am providing are true and correct."

This is the oath that every foreign priest takes, with his hand on his heart, upon entering the country. But let's take a closer look . . .

. . . In 1973, after the military coup, St George School, run by the Fathers of the Holy Cross, was expropriated. Two years later there was a spectacular shoot-out on Avenida Larrain Gandarillas, at the headquarters of the Columbans. U.S. Dr Sheila Cassidy, who took care of the members of the Movement of the Revolutionary Left (MIR), Andres Pascal Allende and Nelson Gutierrez, lived in the congregation. The maid opened the door, took fright and shut it again. She was killed in the ensuing shoot-out. Some priests were arrested (including Gerardo Wheelan), and others were expelled. In March 1983 the government withdrew the visas of Australian Brian MacMahon (a Columban), and Irishmen Brendan Forde (a Franciscan) and Desmond MacGillicudy, of the congregation of the Mill-Hills. The then interior minister, Enrique Montero, spoke emphatically before the television cameras: "This ministry is absolutely certain that the three priests are political activists." Brian MacMahon had already been arrested twice: once in April 1982 as a result of a demonstration in downtown Santiago after a liturgical ceremony, and again in September of that year during the "hunger march." The police report stated that the three priests, in a mass they celebrated in the parish of Preciosa Sangre in December 1982, stated: "The Chilean people suffer from hunger and fear repression." MacGillicudy told those present that they should struggle against being arrested. The government accused them of burning a symbol that represented Pinochet, and of politicizing their folk groups.

And the most recent example: Liberation theologian Josepf Camblin of Talca was refused permission to return after one of his trips. The same thing was done last year to the controversial vicar of solidarity, Spaniard Ignacio Gutierrez, who is today a layman. Last December two priests and a nun were arrested for handing out cards to people leaving mass on Christmas day. The cards said: "For a Christmas without Herod and a New Years without torturers: No to torture." Father Denis O'Hara was expelled from the country.

Center of Controversy

It is a fact that foreign priests have been at the center of the controversial relationship between the government and the Church. Their presence stands out. They have the clergy cornered. Today there are 1,113 Chilean priests in the country, plus 842 foreign priests. Nearly half of them are foreigners, then. Moreover, they have monopolized the districts. There the parishes have become political, economic, social and religious centers. Local residents come to ask the priest if they can use the dais to put on a show; they ask to use the rooms for meetings. They go there to learn; there are knitting and sewing workshops there. And then there is the distribution of food out of the common pot.

The government is worried about them. Former Minister Montero: "Expulsion is a way of expressing the principle of authority over people who take advantage of certain conditions to engage in activism." The Church, through the voice of Cardinal Silva, is outraged: "This introduces an unjust and unacceptable practice. The Church cannot allow the political authorities to judge its pastoral activities for themselves and before themselves." The two sides are not holding talks on the matter. It is known, however, that the hierarchy of the Catholic Church is also concerned, and in some cases is upset with certain foreign priests. In turn, the "padres" thumb their noses at the hierarchy with impunity whenever they feel like it (see box). In June 1984, Fresno issued a warning to Belgian priest Antonio Ghisselin, "recommending" that he abstain from participating in public demonstrations and explaining the danger that well-meaning people such as he might be used politically. Ghisselin belongs to the Southern Zone, the most combative district in Santiago along with the Western Zone, whose vicar is the Frenchman Olivier D'Argouges (the only foreigner holding such a high office in the archbishopric).

/To avoid conflicts with the government, would the Church remove the controversial foreign priests from the districts?/

A high-ranking ecclesiastical source who prefers not to be identified answers: "Not for anything. It must be for pastoral, not political, reasons. Moreover, we look at whether the person is objectively causing problems, not whether he is foreign. A priest is valued as a priest." The highest echelons of the Church, which used to be more aloof, are now protecting the foreigners and forcing the government to take steps. The same high-ranking source: "The foreigners are far away and isolated, so it is our duty to be close to them. Furthermore, there is a tremendous admiration for these people, who leave everything to come here. Thus, one is more willing to excuse their problems than those of a person who is familiar with our idiosyncrasies."

Modus Operandi

We must be fair. Who has not benefited in some way from the work of the foreign priests? Most of them have carried out an extraordinary effort; the ones who engage in conflict are the exception to the rule. Most of the latter entered the country between 1970 and 1973. They generally prefer to wear blue jeans, and wear no visible religious symbols: "I dress the way the majority dresses. People have negative reactions to the color black," says one who is in Quinta Normal. They sympathize with Liberation Theology, although they are not theoreticians but men of action. They are the ones involved in the fight, the ones who follow the foreign correspondents around, the ones who have advocated taking over lands, and the ones who have allowed political fasting in their parishes. They support protests, and justify the residents' stone throwing. A Chilean priest who knows them well believes that they are more enthusiastic and naive than others, and are less familiar with the country's situation: "They have little knowledge of political science, economics and the social sciences, so there is a strong temptation to call for utopias without knowing how to bring them about."

But they are not combative just because they are foreigners. The Chileans are more radical and progressive, and they are the ones who beat the Liberation Theology drum (Reinaldo Munoz, Sergio Torres, Mariano Puga, Pablo Fontaine). But the combative foreigners are more famous, perhaps because it is annoying for someone who is not a member of the family to poke his nose in our affairs, as they say. Or maybe it is because everyone knows the Chilean, but the foreigner cannot be swayed by public opinion. One final reason is that the government can expel the foreigner under the alien resident law, with the consequent diplomatic cost.

They depend on the local bishop, as it is he who appoints them. Those who belong to a congregation owe obedience to their superior, but the pastoral work they carry out is subject to the authority of the local bishop. The archbishopric has a contract with them for 5 or 10 years. And those who belong to a congregation are sent to the parishes in their congregations, usually in the poor barrios. Concerned about their excessive identification with a certain social and political sector, the archbishopric has decided to "rotate" the priests from one part of Santiago to another. This will be done, at least symbolically, on 24 November.

Everything appears to be distributed according to strict rules, and the most combative congregations have their fixed points of action. The /Maryknolls,/ who are from the United States (the Nicaraguan D'Escoto belongs to this order) monopolize the rural areas. Their conflicts are not public. But those of the nuns who work in Conchali are indeed public. (One famous nun is Sister Carolina, cooperator of the Mission Foundation, which is directed by United Popular Action Movement leader Jorge Molina.) The priests of the /Holy Cross/ order, also Americans, used to run the St George School and now work in Lo Hermida. In the Southern Zone (Jose Maria Caro, San Joaquin, Ochagavia, Santa Rosa, Gran Avenida and San Bernardo), the Canadian /Oblates/ prevail. The /Columbans,/ who are Irish, are more prevalent in the Western Zone (Pudahuel, Quinta Normal, Maipu).

Embarrassment

Why are there so many foreigners in the districts?

"It is an embarrassment to our Church," explains a high-ranking official of the archbishopric. But a priest excuses it: "It's not that the Chilean priests are living in comfort. The problem is, since 1955 the population has grown tremendously, and there was no interest in becoming priests. The Church had no choice but to turn to the foreign clergy." During those years, there was one priest for every 6,000 Catholics in Latin America. In 1955, the Holy See encouraged people to immigrate to this region with the so-called "10 percent quota" (Samore was the creator of that initiative). Acculturation centers were founded: first in Cuernavaca, then in Cochabamba, and at Fordham University in the United States. One was promoted by the Jesuits. All of them fell by the wayside. For this reason, the national clergy recognizes that the foreigners "have not had so much training, so they go through a very severe 'culture shock.'" They end up seeing what they want to see.

In addition, the "invasion" of foreigners coincided with certain political trends that began in Chile in 1964. The "Revolution in Freedom," first, and then that of the "red wine and empanadas," attracted the attention of all activists and "romantics" of the world. Today they identify with "the people." The archbishopric defended the statements of one of these foreigners, Pierre Dubois of France: "There is a very valuable testimony of what it means for a priest live among the people, and there are also other assertions that are more doubtful." Perhaps the archbishopric was referring to the priest's allegations about private property, wealth, the military chaplains, the violence that is never provoked by district residents, and the injustices that are found exclusively in the structures.

The Other Side of the Coin: The Unknown Foreigners

Don Orione: Parish, Pequeno Cotelengo, home for handicapped children.

Don Guanella: Parish, seminary, home for mentally retarded children.

Escalabrians: Parish, apostolate for migrants.

Piarists: School, seminary, retreat.

Brothers of San Juan de Dios: Apostolate for the ill and clinics.

Dutch Brothers: Schools, industrial training centers.

Marianists: Parish, school, university pension.

Mercedarians: Parish, school, charity clothing store, penitentiary, juvenile home.

Holy Family: Parish, chaplains, seminary, children's home

(In addition, there are the better known orders: Salesians, Divine Word, Sacred Heart, Jesuits, Franciscans, Schoenstatt, Legionnaires of Christ, Opus Dei).

Picking at Random, They Talked to Us About . . .

Violence: (Guido Peeters) "I believe that there exists what I have called the legitimate defense that people have. For example, why is a barricade put up? To prevent the police from coming in. Moreover, cutting off the lights is different from shooting bullets."

(Lorenzo Eiting, Sangre Preciosa, parish of San Jose de Garin) "Where does violence come from? The people are not looking for violence; it is the reaction of the Carabineros. The barricade does not solve anything, but it is their way of expressing themselves."

(Juan Jose Marley, parish of San Luis de Huechuraba) "I am totally against violence, no matter where it comes from. A rock can have consequences as serious as a bullet's."

Liberation Theology: (Lorenzo Eiting) "I am a sympathizer. It is an effort to respond to the reality of Latin America, to ask oneself what God wants of us today. Marxist analysis is applied, but as a natural science. That does not mean that this theology is Marxist."

(Juan Jose Marley) "I have to admit that I am a little confused about Liberation Theology."

Relations with the Church Hierarchy: (Guido Peeters) "I believe that the archbishopric needs to take a clearer stand. It should call upon the government authorities to take concrete steps toward reconciliation, perhaps to set clearer deadlines." Why did he state that "violence, no matter where it comes from," was a "rather unfortunate choice of words" by Msgr Fresno? "Actually we have talked about it with him. If I dared to make such an assertion it was because Msgr Fresno himself, in a subsequent conversation with us, acknowledged that that had been a poor choice of words, and contended that he would not say that again. I think that a spade should be called a spade."

(Juan Jose Marley) "I am impressed with the Chilean bishops. I think they have spoken very clearly. They have helped me a great deal through their letters, their pastoral lines."

Private Property: (Lorenzo Eiting) "I come from a capitalist country, but from my experience here, I am in the process of questioning the values of the capitalist system, and private property would come in there. This system in Chile has favored the haves too much and has hurt the have-nots."

Parishes and Chapels Considered the Most Combative

1. Nuestra Senora de los Pobres
2. San Luis de Huechuraba
3. Jesus Carpintero
4. Nuestra Senora de Fatima
5. Santa Filomena
6. Violeta Parra
7. San Jose de Garin
8. Cristo Resucitado
9. San Gabriel
10. Nuestra Senora de Lourdes
11. Santa Cruz
12. Jesus Obrero
13. Nuestra Senora del Carmen de Maipu

14. El Despertar
15. Nuestra Senora de la Reconciliacion
16. Nuestra Senora de Pompeya
17. Santa Bernardita
18. San Roque
19. Cristo Rey
20. Cristo Nuestro Redentor
21. Espiritu Santo
22. Santo Tomas Moro
23. El Buen Pastor
24. La Sagrada Familia
25. Cristo Rey
26. Nuestra Senora de la Victoria
27. Santa Cristina
28. San Juan Bautista
29. Santo Cura de Ais
30. San Cayetano
31. Poblacion La Bandera
32. Sagrado Corazon de Jesus
33. San Gregorio
34. San Francisco Solano
35. San Marcos
36. Nuestra Senora de las Mercedes
37. Santa Maria Magdalena

Districts Considered the Most Combative

- A. Recoleta - Nogales
- B. Independencia - J.M. Caro
- C. Diego Silva - Pedro Fontova
- D. Diego Silva- Guanaco
- E. Recoleta - Zapadores
- F. General Gambino - Zapadores
- G. J.J. Perez 5,500
- H. J.J. Perez - San Daniel
- I. San Francisco - Teniente Cruz
- J. San Pablo 5,500
- K. 5 de Abril - General Velasquez
- L. 5 de Abril - Aeropuerto
- M. Avenida Grecia - Los 3 Antonios
- N. Grecia - J.P. Alessandri
- N. Avenida Grecia - Los Presidentes
- O. Rotonda Grecia
- P. Lo Hermida
- Q. Vicuna Mackenna Paradero 5
- R. Santa Rosa Paradero 5
- S. Rotonda Departamental (Americo Vespucio)
- T. Avenida La Feria - Departamental
- U. Departamental - Las Industrias
- V. Callejon Lo Ovalle - La Feria
- W. Callejon Lo Ovalle - Ochagavia
- X. Rotonda La Florida

Y. Paradero 25 Santa Rosa
Z. Ochagavia - Americo Vespucio

Who Are the Combative "Priests"?

Tomas Connolly

(Columban, Irish, director of the Superior Juvenile Pastoral Institute and cooperater vicar of the parish of San Luis de Huechuraba)

He arrived in this country in 1974. He was arrested in May 1978 for participating in street rioting. He staged a hunger strike in the Basilica del Salvador, and upon participating in the occupation of the Iglesia de San Francisco in 1979, he stated to a U.S. correspondent: "Until a short time ago I believe the political police were attending Sunday masses. At that time, I felt inhibited about talking about human rights or economic conditions in the country, beyond what the bishops said. But now I feel that I can say practically whatever I want."

Gerardo Wheelan

(Fathers of the Holy Cross, American, parish of San Roque, Penalolen)

In 1972 he was the rector of the St. George School, the first private Catholic establishment that the ENU supported. In 1975 he was arrested, tried and convicted of "harboring, concealing and facilitating the escape of a person knowing that that person was evading justice or the authorities in a matter of national security" (the case of Pascal Allende and Nelson Gutierrez). In December 1975 he was pardoned by the president.

Ghislaine Peeters

(Belgian, parish of San Cayetano, San Joaquin)

In July 1978 he was arrested for staging a protest against worker lay-offs. The same thing happened on 1 May 1980. In 1983, during the celebration of Good Friday in his parish, slides on unemployment, persecution and international torture were shown during the homily. He has stated to the press that "the participation of the people in real democratic life is the only way to stop the spiral of violence that the country is now undergoing."

Olivier D'Argouges

(Asuncionist, French, vicar of the Western Zone)

He arrived in Chile in 1954. He was the parish priest in Nuestra Senora de los Angeles in El Golf, and then in San Juan Evangelista in Lota Bajo (considered to be one of the most combative parishes in the country). There he publicly stated his opposition to the military government when the coup took place. He stayed in contact with the people who were put on trial during that time, and published a pamphlet called "The Coalminers to the Citizenry,"

in which he demanded that the government provide economic solutions. He opposed the celebration of the thanksgiving mass on 11 September.

Others who are considered to be "combative": /Pierre Dubois,/ parish priest of La Victoria, already well known to the public. He was one of the signatories in the "Christians for Socialism" group.

In the provinces: /Bernardo Durier,/ Asuncionist, French, priest cooperador of San Juan Evangelista in Lota Bajo. He used to work in Angola, and came to Chile in 1972.

/Paolo Toffoletti,/ Italian, parish priest of San Matias in Lota Alto. He came to our country in 1970. In 1977 he was almost expelled. It is known that he hired Eduardo Antonio Leighton (in charge of political education for the Movement of the Revolutionary Left under the Popular Unity government) as administrative secretary of the Professional Training Center.

/Angel Fernandez,/ Oblate, Spaniard, vicar cooperador of the parish of Espiritu Santo, Iquique.

/Enrique Giner,/ Spaniard, parish priest of Nuestra Senora de Loreto, Tierra Amarilla, Copiapo.

/Natale Vitale,/ Salesian, Italian, vice-rector of the Don Bosco Institute, Punta Arenas.

8926

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'REPRIVATIZATION' CALLED CONCEALED TRANSFER OF RESOURCES

Santiago ANALISIS in Spanish 5 Nov 85 pp 7-8

[Article by Maria Jose Luque]

[Text] When the government intervened in the financial system in 1983 to prevent economic collapse and invested \$2 billion to ensure its survival, no one imagined that 2 years later the government would decide to return the companies to those who were responsible for the disaster.

It was thought that after the failure of the model imposed in 1975, in which private groups were transferred to state ownership en masse, the government would think twice before repeating the experience.

Two years after the intervention, however, the regime is not comfortable with the fact that the ultraliberal model has brought about the greatest degree of statism even known in this country, and has decided to reprivatize "at all costs."

Despite the deepening of the crisis, and despite the unprecedented amount of funds the state has invested in the banks subject to intervention without curing their insolvency problems, the government came up with a formula unmatched anywhere in the world for returning to the private groups the means of production that they themselves destroyed: "Popular Capitalism." The formula has a unique characteristic: the recovery of the now nationalized assets will take place through a process in which no effective sale is transacted. It is simply a give-away, claim renowned experts.

How Does Popular Capitalism Work?

There are basically two ways in which the regime has decided to promote "Popular Capitalism": the sale of stocks in the banks subject to intervention, and the sale of part of the state enterprises to the Pension Fund Boards (AFP).

In both cases, the regime is trying to show that the formula will help "extend ownership among Chileans on a large scale," and will "recapitalize and reprivatize the financial institutions in which the government intervened," in the words of former Economy Minister Modesto Collados.

Looking into the matter a little further, one can conclude that the first objective stated above, to bring about private ownership on a mass scale, is no more than a publicity slogan. In the case of the sale of the state enterprises to the AFPs, the idea is that the workers will be the owners of the savings in benefits, which will be invested in the purchase of shares, and they will become the owners of strategic enterprises. Although it is true that the savings in benefits belong to the workers, they are not the owners of the AFPs, nor do they manage their funds. And since they do not have the power, they will not participate in the strategic enterprises' boards of directors when it comes time to make decisions (ANALISIS No. 114).

In the case of the sale of stock in the banks subject to intervention (the Bank of Chile and the Bank of Santiago, for now), given the terms that are offered, economists have concluded that the highest-income sectors in the country will benefit most from this formula; they will not actually buy the stock, because they will receive it as one more hand-out from the state. This is how Pablo Pinera, an economist with the Economic Research Corporation for Latin America (CIEPLAN), explains it: "The purchaser must pay 5 percent of the stock's value in cash, and the remaining 95 percent can be paid by taking out a loan from the Production Development Corporation (CORFO) with a 15-year term and a real interest rate of zero. In addition, the only collateral on the loan is the stock. In other words, if the guy doesn't pay back the loan, all he loses is the stock."

But that's not all; there are more privileges. "In addition," continues Pinera, "authorization was given for the buyers to deduct 20 percent of the total purchase from their taxes. In the case of people in the 25 percent tax bracket, what they receive in tax refunds is more than what they pay in cash for the stock, 5 percent. In short, the guy doesn't pay anything in cash because what he puts down (the 5 percent) he gets back, and in the future, he can use whatever dividends the stock yields to pay off the CORFO loan." What a racket.

And there's more. In the event that the stock does not yield dividends, the buyer will not have spent a cent, because he recovered the 5 percent he paid in cash in the form of the tax deduction. And if the stock does yield dividends, after a certain period, the "popular capitalist" becomes the owner of all the shares, without having paid a cent for them.

Who will benefit from this unique system of sales? Pinera responds: "This is valid solely and exclusively for people who pay high taxes, because they are the ones who need the tax break. And the ones who pay high taxes in Chile are the rich." In other words, the economic right wing. Given this state of affairs, the promises to "extend ownership among Chileans on a large scale" haven't got a leg to stand on.

The regime's second stated objective, to sell the stock of the banks subject to intervention, is supposed to allow for recapitalization. Following this logic, presumably the dividends yielded by these banks' stocks would be used to pay off the institutions' debt. In the case of the Bank of Chile, 28.6 billion pesos is needed for recapitalization. However, among the forms of sale, one proposed incentive for investors to purchase new bonds would be that

they would have "the right to receive dividends despite the necessary use of the bank's surpluses in the repurchase of the notes due from the Central Bank," explained Finance Minister Hernan Buchi himself.

Motivations

Although it seems irrational for the military regime to decide to give back the national patrimony to those who already destroyed it once, the economists consulted by ANAISIS point out two interpretations that could explain this move.

Pablo Pinera describes one of them: "One of the justifications for the military coup was that the Allende regime was concentrating much of the ownership of the means of production in its own hands, which was a threat to people's freedom. For this reason, in 1975 the government launched a great sale of the shares that were state-owned. The government has devoted all its efforts to proving that the private sector is the agent of development in a country, and that the state should be less and less important. It has come up against the absurd situation in which this government, 12 years after the Popular Unity government, owns much of the means of production. It feels obliged to reverse this situation as soon as possible, so it has invented the so-called "Popular Capitalism."

The second explanation is provided by former Mining Minister Sergio Bitar: "The government's first priority is to maintain the unity of the Army for the physical military control of society. The second priority is to maintain a certain degree of happiness in the group of speculative businessmen that surrounds the regime. Naturally, if the ownership of the assets possessed by these groups is in doubt, their loyalty is quite fragile. So the government is trying to cement that ownership for political reasons, and that is where all the pressure is coming from. That is the context in which "Popular Capitalism" must be viewed; it is a very good propaganda campaign designed to conceal a new, massive transfer of state resources to a few private groups."

Who Finances Popular Capitalism?

The \$2 billion that the state invested in the banks belongs to all Chileans. But the neediest sectors have financed the crisis more than anyone else. This is how Pablo Pinera explains it: "The people who have basically paid for the crisis in Chile today are the unemployed, because the government, forced to spend money on the banks, has been prevented from allocating funds to the creation of new sources of employment. It is also being underwritten by the employees who must live on a wage or salary that has eroded their buying power, because the state lacks the resources to raise pay in accordance with the consumer price index (IPC). Finally, the retired people are paying for the crisis as their pensions have been frozen because the government has no funds left, having poured them all into the banks."

But the scandal does not end there. "Popular Capitalism" has to be financed, and the sources have already been fingered: the state, through the loans that CORFO will extend, and the workers, through the AFPs.

In this regard, Sergio Bitar comments: "The regime that has insulted and denigrated the state more than any other government now has to resort to that state to guarantee the survival of its sickly capitalist enterprises." And the government that arrests and jails union leaders is using the workers' money while their leaders languish in prison to shore up private companies and thus prevent these companies from belonging to their principal creditor, the state, which is precisely what should happen."

Given the nature of "Popular Capitalism," we must conclude that only under a dictatorial regime whose power lies in the force of arms is it possible to launch such an attack against the assets of the state, that is, of all Chileans.

"No decent government," says Bitar, "could transfer state resources so brazenly to a few financial groups. In a democratic system, if this were discovered and we had access to the information, it would result in prosecution for malfeasance of state assets. That is prevarication. It is considered a crime against the interests of the state to give away state money, to misuse state money."

8926

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200 POLLED FOR OPINIONS ON CONSTITUTION, ELECTIONS

Santiago QUE PASA in Spanish 31 Oct 85 pp 52-57

[Article by Gloria Stanley]

[Text] A little more than 5 years have passed since that night on 11 September [as published] 1980, when a euphoric President Pinochet spoke to his followers from the balcony of his house, as they celebrated the resounding triumph of the "yes" vote that day in the plebiscite. "Go home and go to bed, because we have 8 more years of work ahead of us." It was a day of triumph for the military regime and for Gen Augusto Pinochet. His constitution, the Constitution of 1980, had been approved overwhelmingly by the citizens of the country, with 67.06 percent voting in favor and 30.17 percent voting against. In addition, the voters had given him a mandate to serve as president for 10 years. The unequivocal results of the voting allowed for a tranquil beginning of the transition period, which according to the new Constitution was to last 8 years. They also made it possible to consolidate what was called the "protected democracy," which was expected to eliminate the threat of Marxism from the country forever.

It was no coincidence that the president had clearly defined the terms of the plebiscite several days earlier: "We must understand this problem here as a struggle between Chile and Marxism, which has unfortunately taken advantage of both external and internal issues, with the unwitting participation of some individuals."

What has happened to the Constitution of 1980 since then?

It is not incorrect to assert that 5 years after that day on 11 March 1980, the Constitution approved at that time has become a veritable dividing wall, with the supporters and detractors of the government lined up on either side.

The opposition's objections: The transitory articles have made it possible to keep the state in constant states of emergency. The slow processing of the complementary organic laws has immobilized the transition period so far. The Constitution is very rigid, in the view of its critics, and is practically unmodifiable according to its current provisions.

The government's argument: The Constitution guarantees a democracy without the ills of the past; it protects the citizenry from an eventual return to Marxism by excluding totalitarian doctrines; it solves the permanent instability of institutions that existed in past governments; and it establishes a system of individual guarantees without precedent in previous constitutions. The document needs to be implemented, according to the government, and that is what the transition period is for. But to engage in a dialogue on these future institutions and the transition from an authoritarian regime to a fully democratic government, all sectors must recognize the legitimacy of the Constitution, the pivotal component of this government.

The recently signed National Agreement (signed by various political groups), whose proposals imply a future constitutional reform, has renewed the controversy over the Constitution. Although the signatories preferred to sidestep the issue of legitimacy for the sake of negotiation, the government wants the terms to be defined more clearly. Specifically, it wants a firmer stand on the exclusion of the Communist Party.

Along with these "two sides of the wall," however, there are a vast number of citizens who also have opinions. Although constitutions have historically been imposed on the basis of not their content but rather the popularity of those who promoted them (it should be recalled that the Constitution of 1925 was approved despite the rejection of all the political parties of the era, which advocated abstention), it is important to learn the opinions of the citizens. Not because they have a decisive impact on any changes that are made in it or on its enforcement, but because they can sway those who are in a position to do so, the political leaders and the government.

For the purpose of determining for certain what Chileans think, the magazine QUE PASA commissioned the firm ADIMARK to conduct a poll to measure what Chileans know and think about some provisions of the Constitution.

The results can be seen on the following pages.

The Political Constitution of 1980, which was passed with a 67 percent favorable vote by the country's citizens in a plebiscite, is virtually unknown to Chileans. The vast majority of them do not even know what will be voted on in 1989 or how the future executive and legislative branches will be established and function.

This assertion stems from the results of a poll conducted by the ADIMARK firm at the request of the magazine QUE PASA. The survey, which is of great interest at this moment in the country's political life, also reveals important conclusions about the citizens' feelings on matters related to the future of Chile, as provided in the Constitution.

Here are some of these conclusions:

With regard to the 1989 presidential election, 82 percent of the Chileans surveyed believe that a popular vote will take place in those elections. (It is important to note that the current Constitution calls for a plebiscite on the candidate proposed by the commanders in chief of the Armed Forces.)

The Constitution of 1980, another issue about which the respondents were asked, is considered better than the 1925 Constitution by 21.5 percent of Chileans. The opposite view is held by 33.5 percent, while 10.5 percent are indifferent. However, 34.5 percent cannot distinguish between the two documents.

As for the Constitution's legitimacy, Chileans appear to be divided. While 37 percent of those interviewed feel that the Constitution of 1980 is legitimate, 39.5 percent question its legitimacy.

Other major issues, such as the future installation of a Congress and the participation or exclusion of the Communist Party in national life, yielded results that will undoubtedly be the subject of much debate. As for the first item, 65 percent of Chileans believe that a Congress should be functioning before the date set forth in the Constitution. While 45 percent believe that the Communist party should be excluded from national politics, only 28 percent believe the contrary.

Constitution Unknown

Seven questions were posed to the Chileans who were interviewed to measure their knowledge of the different provisions of the Constitution of 1980. The issues dealt mainly with the plebiscite of 1989 and the future National Congress. Although the percentage of people responding "don't know" fluctuated around 30 percent (except for the question related to the date of installation of a National Congress, on which the "don't know" answers rose to 61 percent), many of the respondents revealed that they really do not know what the Constitution says, and gave erroneous answers.

The answers were particularly surprising with regard to the 1989 presidential election. Of those interviewed, 59.5 percent believe that there will be more than one candidate for the presidency in 1989, while 19 percent answered that such a possibility was false. And 21.5 percent simply stated they did not know the correct choice. The ignorance was greater among the lower socioeconomic levels (DE), among women, and among youths (18-25 years old).

The same ignorance of the provisions of the 1980 Constitution was displayed when the respondents were asked if the following assertion is true: "In 1989 there will be a plebiscite, with the presidential candidate proposed by the commanders in chief of the Armed Forces." Only 32.5 percent of those polled were able to answer the question correctly; 36 percent answered incorrectly, while 31.5 percent stated they did not know the answer.

The correct answers were most likely to be given by men (37.4 percent), youths (48 percent), and the middle socioeconomic level (C2 and C3). The answer to the question "What would happen if the government candidate were defeated in the 1989 plebiscite?" was unknown by most of those interviewed. The correct choice--the president will remain in office for 1 year and then call an election--was stated by only 13.5 percent of those who said they knew; 59 percent answered incorrectly. The answer "A presidential election would be called immediately" was chosen by 52.5 percent, and 6.5 percent chose "The president would remain in office for 2 years and then call an election." Some

27.5 percent of the Chileans participating in the poll stated they did not know. The correct answers were most often given by men, people from 26 to 40 years of age, and those in the middle to high socioeconomic strata.

"How Will Congress Be Elected?"

Another matter with which the respondents were unfamiliar is the future National Congress. Forty percent of the people questioned claimed to believe that the first Congress will be elected entirely by popular vote, thus revealing their ignorance of the constitutional provision that establishes direct voting to elect the Chamber of Deputies and 2/3 of the Senate, with a system of designated senators for the remaining 1/3.

That assertion was termed false by 23 percent of Chileans, while 37 percent preferred to state that they did not know the correct answer.

The correct answers, once again, were given more by men than by women, in the middle to upper socioeconomic levels, and--curiously--among young people from 18 to 25 years of age.

With regard to the elections for the first Congress, only 26.5 percent of those polled responded correctly that they will take place 9 months after the 1989 plebiscite. Incorrect answers were given by 12.5 percent, while 61 percent said they did not know. Young people were less likely to know (72 percent), as were Chileans between 26 and 40 years old. On this issue, the different social strata were equally ignorant.

What Do Chileans Want?

ADIMARK asked several questions of those interviewed to determine their opinions on matters such as the 1989 election, the Constitution of 1980, and the inclusion or exclusion of the Communist Party in national life.

1989 Election

One of the questions was "Should there be presidential elections by popular vote in 1989?" The answers: 82.5 percent said yes, 8 percent no, 6 percent said they were indifferent, and 3.5 percent stated they did not know.

One curious fact is that the affirmative answers to this question (in other words, those who would like to have an election by popular vote in 1989) were distributed equally by sex, age, and socioeconomic level.

Communist Party

Forty-five percent of Chileans believe that the Communist Party should be excluded from national life. Those who believe the contrary total 28 percent, while 18.5 percent claim indifference and 8.5 percent gave no answer.

Among those choosing exclusion, more were women (50.5 percent to 39.4 percent). Chileans older than 41 were more likely to reject the Communist

Party (53.4 percent as opposed to 38 percent among younger people), as were those in the higher socioeconomic levels.

Congress

The idea of installing a Congress before the date stipulated in the Constitution was supported by a significant number of the Chileans interviewed. Of those participating in the poll, 65.5 percent stated they agreed with the idea, while 10 percent rejected it. Eleven percent said they did not care, and 13.5 percent gave no answer.

The possibility of having a functioning Congress before 1989 was more agreeable to men, youths (18 to 25 years) and those over 41. In the middle socioeconomic levels (C2 and C3), the idea is also more favored than in the upper and lower levels.

Transitory Articles

The controversial Article 24 does not seem to generate strong feelings in national public opinion, according to the ADIMARK poll. When asked if the elimination of the transitory articles would cause them to approve the Constitution, 32 percent said yes and 26 percent no, figures that are almost even. A high percentage--42 percent of those interviewed--declared that they had no answer to the question, however.

On the other hand, when asked to go into more detail on the matter, 49 percent of those responding to the poll--practically half--indicated that the Constitution would be "all right" without the transitory articles; 17 percent said it would be "good," and 27 percent stated it would be "bad" or "very bad" without them. Only 1.5 percent stated that the Constitution would be "very good" without the transitory articles.

Constitution of 1980

ADIMARK asked the respondents: "Is the current Constitution (1980) better than the previous one (1925)?" According to the results, 21.5 percent of Chileans believe that it is better. On the other hand, 33.5 percent do not. A high percentage, however (34.5 percent) preferred not to answer, while 10.5 percent claimed not to care about the matter.

Among those who feel the new Constitution is better, there are more women than men, more people over 40, and more members of the upper socioeconomic strata. In the middle socioeconomic levels and among men, more people disagreed that the 1980 Constitution was better than its 1925 counterpart.

The issue of the legitimacy of the Constitution, which has been debated so widely in recent years, still divides Chileans today, according to the outcome of the ADIMARK survey. When asked whether they agreed that the 1980 Constitution is legitimate, 37 percent stated they "agree a lot or somewhat," while 39.5 percent responded that they "agree little or not at all." Thirteen percent gave no answer, and 10.5 percent said they were indifferent.

Which groups are most likely to recognize the legitimacy of the Constitution? According to QUE PASA's poll, they are women (49.5 percent, compared to 24.2 percent of men), the upper socioeconomic strata (58.6 percent, as opposed to 22.5 percent among the lower levels), and those older than 41.

On the other hand, men and the members of the lower socioeconomic levels were more likely to question the legitimacy of the Constitution.

Sex		Age	Socioeconomic Level
Men:	49.5%	18-25 years: 25.0%	Upper: 14.3%
Women:	50.5%	26-40 years: 31.0%	Middle: 48.0%
		41 and over: 44.0%	Lower: 40.0%

What Do Chileans Think of the Constitution?

Legitimacy of the Constitution

1. Agreement with the following statement: "The Constitution of 1980 is legitimate."

Total Responses

Agree a lot or somewhat	37%
Indifferent	10.5%
Agree little or not at all	39.5%
Don't know	13%

2. Agreement with the following statement: "The current Constitution (1980) is better than the previous one (1925)."

Total Responses

Agree a lot or somewhat	21.5%
Indifferent	10.5%
Agree little or not at all	33.5%
Don't know	34.5%

3. Agreement with the following statement: "The current Constitution (1980) will be permanent for Chile."

Total Responses

Agree a lot or somewhat	10.5%
Indifferent	10.5%
Agree little or not at all	60%
Don't know	19%

Congress

4. Agreement with the following statement: "There should be a Congress before the date stipulated by the Constitution."

Total Responses

Agree a lot or somewhat	65.5%
Indifferent	11%
Agree little or not at all	10%
Don't know	13.5%

Communist Party

5. Agreement with the following statement: "The Communist Party should be excluded from political life."

Total Responses

Agree a lot or somewhat	45%
Indifferent	18.5%
Agree little or not at all	28%
Don't know	8.5%

Presidential Election

6. Agreement with the following statement: "There should be presidential elections by popular vote in 1989."

Total Responses

Agree a lot or somewhat	82.5%
Indifferent	6%
Agree little or not at all	8%
Don't know	3.5%

Transitory Articles

7. Evaluation of the Constitution of 1980, excluding the transitory articles.

Total Responses

Very good	1.5%
Good	17%
All right	49%
Bad	17.5%
Very bad	9.5%
No answer	5.5%

8. Would you agree with the Constitution of 1980 if the transitory articles were eliminated?

Total Responses

Yes	32%
No	26%
Don't know	42%

What Do Chileans Know about the Constitution?

Seven questions measured the degree to which Chileans were familiar with the 1980 Constitution. Here are the questions and their results.

1. Belief in the truth of the following statement: "According to the Constitution, in 1989 more than one candidate may run for president."

Total Responses

True	59.5%
False	19%
Don't know	21.5%

2. Belief in the truth of the following statement: "According to the Constitution, in 1989 there will be a plebiscite, with the presidential candidate proposed by the commanders in chief of the Armed Forces."

Total Responses

True	32.5%
False	36%
Don't know	31.5%

3. Belief in the truth of the following statement: "The Constitution of 1980 excludes the Communist Party from political life."

Total Responses

True	60%
False	13%
Don't know	27%

4. Belief in the truth of the following statement: "According to the Constitution, the first National Congress in the future will be elected entirely by popular vote."

Total Responses

True	40%
False	23%
Don't know	37%

5. Belief in the truth of the following statement: "According to the Constitution, the National Congress will be actively functioning before 1989."

Total Responses

True	25%
False	37%
Don't know	38%

6. Belief in the truth of the following statement: "If the presidential plebiscite is approved, the elections for the National Congress will take place 9 months after that plebiscite."

Total Responses

True	26.5%
False	12.5%
Don't know	61%

7. Correct alternative in the event that the government's candidate were defeated in the 1989 plebiscite.

Total Responses

The president remains in office 1 year and calls an election	13.5%
Presidential elections are called immediately	52.5%
The president remains in office 2 years and calls an election	6.5%
Don't know	27.5%

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CSO: 3348/182

ECONOMY MINISTER SAYS NATION IN PERIOD OF GROWTH

Santiago TERCERA DE LA HORA in Spanish 19 Oct 85 p 10

[Text] "The Chilean economy is in a growth quarter," according to the minister of economy, Juan Carlos Delano. He said this yesterday at the end of the ceremony to present the reformulation of that ministry's quarterly plan to ODEPLAN [National Planning Office].

Asked about the economic situation of the country, the minister stated that it is returning to a period of growth and economic revitalization. He stated: "It is a slow process but, more important, steady."

According to Central Bank's preliminary figures, the Chilean economy grew about 3.4 percent in the first quarter of this year and fell 0.1 percent in the second quarter.

Some projections by specialized organizations and industrial sectors maintain that the economy could grow about 2 percent in the third quarter (July-September) and 2.5 percent in the current quarter (October, November and December) with an increase of the global product this year of approximately 1.9 percent. Central Bank estimated that the economy grew 6.3 percent in 1984.

Unemployment

Analyzing the employment situation in recent quarters, the minister revealed that the latest indicators actually show an increase in unemployment but this was due to already recognized seasonal processes.

He stated: "The important thing is for the unemployment rate to go down steadily." He estimated that the goal of reducing this rate at the national level to 12 percent will be achieved by the end of the year.

Finally, as to the freeze on tax rebates that the government put into effect in 1984 and 1985, Delano revealed that it should not cause any great concern. The same level of tax rebates that existed last year (1985 tax year) is being maintained.

To another question from a reporter, he stated that the reappraisal of the fixed assets of the indebted enterprises will help improve the financial position of these enterprises. These measures do not have any effect on taxes.

Progress

The deputy minister, Col Jorge Valenzuela, explained that, after the first half of this year, they considered it necessary to evaluate the progress achieved by the different sectors in the activities and actions covered in the respective 3-year sectorial programs for 1985 to 1987.

He also explained that, at the express request of ODEPLAN and with the consent of the president of the republic and the Ministry of Economy, it was decided that future 3-year programs will continue to be reformulated in ODEPLAN under the minister director, Sergio Valenzuela.

He said that the program started because of the need to have an indicative element of medium-term coordination between the public and private production sectors. It completely achieved its objectives, the proof being the work done in different sectors of national activity.

Minister Delano delivered the complete collection of 1984-86 and 1985-87 3-year plans to the minister director of ODEPLAN along with the documents and minutes of the different committees that worked this year.

7717

CSO: 3348/115

LACK OF PUBLIC, PRIVATE ECONOMIC DATA DEPLORED

Santiago TERCERA DE LA HORA in Spanish 21 Oct 85 p 12

[Article by Jose Pinera: "Information and Free Economy"]

[Text] In recent years, the economy has been the object of more detailed and rigorous public scrutiny than before in Chile. However, the information gaps about economic affairs that persist should not be ignored.

It is not hard to find an example. The National Budget Law is in its final stage of passage. It defines some of the basic conditions for economic activity next year. Although it is very important for the state, no one knows for certain what priorities are being shuffled around with respect to concrete programs or projects or which specific criteria are being used to determine the level and distribution of government expenditures based on the various needs of the administration, the production system and society as a whole. The public budget is a crucial variable for the functioning of a free economy. It involves very important value definitions. This is a situation that should be faced and dealt with through an elaboration procedure which reflects as closely as possible the value judgments of the citizenry, incorporates the conclusions of technical discussions and receives adequate news coverage. Only in this way can the economic agents have in advance the indispensable guidelines to define, among other things, their expectations for production, business expansion and profitability.

This lack of clear information is not a monopoly of the public sector in Chile. The private sector also shares it since information on the situation of the enterprises, on their expansion projects, on their levels of risk and on the factors that determine the stock market behavior of their shares is still clearly inadequate. The erratic behavior of certain stocks and the difficulties prestigious corporations have in meeting their commitments illustrate the scope of this problem better than any article could.

The functioning of the model of free economy assumes a high degree of open information and critical development. In this way more than any other, the administrators of the economy and productive activity itself are in the position to detect--with the least cost and time--errors that, if not corrected in time, are more costly for the common good.

It is necessary to have an animated and informed economic debate in which ideological generalizations give way to concrete data and intelligent relationships among deeds that are often interpreted individually. This not only means greater clarity from the authorities, but more openness, more study and more maturity from the economic agents. This is not easy. It is the duty of the economic community to deepen these attributes in order to really make the freedom which the system gives them but also demands from them effective.

The right to inform, to express opinions and to be informed, at least of relevant public decisions, are institutions that are not only deeply rooted in the civic conscience of the country, but have a major effect on the economic sector. They are also indispensable requirements for the proper functioning of a development plan founded on freedom.

7717

CSO: 3342712

INDUSTRIAL EXPORTS UP, PRODUCTION DOWN OVER 9-MONTH PERIOD

Santiago EL MERCURIO in Spanish 26 Oct 85 p B-1

[Text] Industrial production remained practically stagnant last September with respect to the same month of the previous year, with a slight rise of 0.2 percent. Sales, on the other hand, surged forward by 5.2 percent, according to the Industrial Development Association (SOFOPA).

Manufacturing production in the January-September period fell 1.7 percent below the figure for the same period of 1984, while sales were up 1.1 percent.

In the industrial sphere, it was noted that the slight pick-up in manufacturing sales was due essentially to exports, since the cumulative index of physical sales on the domestic market edged downward a little in the first three quarters.

According to the statistics on industrial development, physical sales on the domestic market fell by 1.1 percent in the first 9 months of the year compared to the same months of 1984.

Specialists in the industrial sector believe that production in this area will not grow this year over last year's total, while a small upturn, possibly reaching 1 percent, is expected in physical billing.

It should be noted that physical industrial production was off slightly by 0.2 percent, measured over the 12-month period ending in September, while physical sales climbed by 2 percent.

Sector-by-Sector Situation

The performance of the different industrial sectors was uneven in the first 9 months of the year, in comparison with the situation during the same period of 1984. Thus, the area of traditional consumer goods recorded a decline of 1.6 percent in production. In the case of durable consumer goods, physical production was down 22.7 percent. Intermediate goods for industry registered a drop of 1 percent, while various manufactured items fell by 4.4 percent.

In sales, the decreases in the first 9 months of the year, with respect to the same period of 1984, corresponded to durable consumer goods (-11.7 percent),

intermediate goods for industry (-0.4 percent), and various manufactured items (-2.8 percent).

Traditional consumer goods showed a 1.2 percent jump in physical sales; transportation materials were up 4.2 percent, and intermediate goods for construction soared 9.9 percent.

Manufacturing Groups

In September of this year, in contrast to the same month of the previous year, the largest increases in physical production were seen in the lumber industry (34.8 percent), petroleum derivatives (58.9 percent) and glass manufacturing (122.3 percent).

Sharp declines were seen in the activity of groups producing goods such as rubber products (-33.3 percent), electrical equipment (-31.9 percent), other manufacturing industries (-19.4 percent) and clothing (-15.4 percent).

With regard to sales, the groups that reported the greatest increases in September 1985 over September 1984 included the lumber industry (61.4 percent), the basic iron and steel industry (36.5 percent), electrical equipment (54.7 percent), and domestic appliances (22.8 percent).

Major declines in billing were noted in groups of industries such as those that manufacture clay and earthenware (26.8 percent), electronic equipment (27.8 percent), and professional and scientific equipment (21.8 percent).

Electricity Consumption

The background information gathered by SDOFA indicates that electricity consumption by industry jumped 6.4 percent in September over the same month of the previous year, while the cumulative indices for the first 9 months, in contrast to the same months of 1984, showed an increase of 7.5 percent.

As can be seen in the chart below, industrial production has undergone sharp fluctuations in the last decade. After emerging from the recession of the mid-1970s, factories began a cycle of steady growth that lasted until the end of 1981. In that year, a period of contraction began that reached its nadir in 1982 and 1983. After those years came the recovery of 1984, and then the slump that began late that year and has lasted throughout 1985.

According to estimates by sources in the industrial sector, it is possible that we are seeing a break in the stagnant trend in manufacturing production, and that a period of slow growth will begin.

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CSO: 3348/151

NEW MONEY TO REPLENISH RESERVES, STABILIZE ECONOMY

Santiago LA NACION in Spanish 8 Oct 85 p 7

[Text] Beginning in November Chile will receive resources amounting to \$839 million from the credit granted by international banks and from the SAL [Structural Adjustment Loan] granted by the World Bank to balance foreign accounts. Juan Andres Fontaine, manager of studies at Central Bank, reported this when speaking at a seminar organized by the Ministry of Finance, "The Chilean Economy in the Medium Term."

Fontaine said that the final agreement with the international banks must be signed in New York at the end of this month. Then the so-called "new money" can be sent.

The economist stated that the country had used reserves of about \$760 million in September to finance interest payments on the foreign debt. He added that this amount was programmed in the expectation of having the new resources from the banks--\$839 million--in November and December. This will make it possible to replenish the reserves to the level which existed at the end of 1984--that is, \$2.2 billion.

Fontaine stated that the program is financed for the rest of the year and the economy is entering a stage of stability.

He maintained that the projected goal of an inflation rate of 25 percent will be achieved this year while the PGB [Gross Domestic Product] will grow about 2 percent. He added: "When the rate of inflation drops, real wages will be stabilized. They should not continue dropping like they did in the first half of the year."

As to unemployment, he felt that it has stabilized with only seasonal variations. Beginning in November, there should be a drop due to seasonal conditions.

Exports

Fontaine revealed that exports this year will reach \$3 billion while the surplus in the trade balance will be approximately \$700 million. This is lower than planned as a result of the large drop in the international prices of our main exports.

He also stated that the downward trend of foreign reserves observed this year changed in September and showed a gain of \$40 million. Meanwhile, real interest rates have gone down and no factors that could pressure them to rise are foreseen for the rest of the year.

JUNTA APPROVES MODIFICATIONS TO MERCHANT MARINE LAW

Santiago LA NACION in Spanish 3 Oct 85 p 12

[Text] Some of the basic aspects of the amendments to the Merchant Marine Development Law passed by the Government Junta are: the establishment of the principle of freight reserve reciprocity which means equal freight with the different countries; the provision that coastal trade remain reserved for national ships with some exceptions for freight of more than 900 tons per customer, even including trade in the Exclusive Economic Zone as coastal trade; and stipulations about the transfer of imported cargo, the sale of Chilean ships within national territory and the acquisition of ships.

The objectives of the bill that amends some articles of Decree Law 3.059 still in effect are: to create conditions for the National Merchant Marine (under the Chilean flag) to grow; to have a majority of Chilean ships in it; to use these ships for most transportation; and to promote the growth of national shipyards.

When analyzing the importance of this law whose success will depend on whether the Chilean shipowners want to use it, well-informed sources of the Legislative Branch indicated that the objective is an important National Merchant Marine that increases its transportation capacity to take care of Chile's maritime traffic. They indicated that, in this way, foreign currency will be saved and a service will be exported. At this time, the National Merchant Marine--43 Chilean ships--has a capacity of 705,088 tons. Another 139,233 tons in hired ships (6) and 172,500 tons in foreign ships (9) can be added to this. However, last year 17 million metric tons of foreign trade freight were moved. Of this, 2.35 million corresponded to national ships and 14.6 million to foreign ships. That meant the country paid foreign ships \$517.8 million for freight.

Fulfilling Objectives

To fulfill the objectives of the law, Article 4 and Article 3 of Decree Law 3.059 were amended. Article 3 establishes that the coastal trade is reserved for national ships with the exception of freight of more than 900 tons per customer. In those cases, the customer can obtain quotes on transportation costs from foreign ships and if he receives a quote 20 percent lower than the

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cost of national ships, he can use the the foreign ships. For the first time also, the law specifies that the concept of coastal trade includes the Exclusive Economic Zone.

The amendments to Article 4 of the mentioned law establish the principle of reciprocity in freight reserve, setting a minimum of 50 percent reserve which can be modified to the degree that the other country increases or decreases this percentage in its ships. In other words, this establishes equal treatment. The principle established is, in fact, a legal warning that Chile is giving other countries and is, at the same time, the country's legal tool to ensure smooth operation of the principle.

Moreover the law covers tax norms, as on the transfer of freight, resolving the situation that occurred with imported products in the interior of the country. Now it stipulates that it will not be considered coastal trade until the freight goes through customs. Therefore, this remains exempt from the VAT if a transfer is necessary. As to the sale of ships within national territory, it was decided that they will be exempt from the transfer tax. If they are sold abroad, this will be considered an export.

Another objective is for the shipyards to grow and even export ships. One of the provisions to achieve this is exempt on from the payment of customs only for ocean-going ships over 3,500 tons of freight that cannot be constructed in Chile, with a prior certificate from the Ministry of Economy.

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CSO: 3348/48

JAPANESE ENGINEERS TO RECONSTRUCT FACILITIES AT TWO PORTS

Santiago LA NACION in Spanish 4 Oct 85 p 11

[Article by Raul Santiz Tellez]

[Text] Valparaiso--The first 8 of a total of 15 engineers in the Japanese mission responsible for drawing up the master plan for reconstruction of the port terminals of Valparaiso and San Antonio arrived in this port yesterday. They were grateful for their cordial reception but asked for maximum cooperation "in order to be able to do efficient work that helps the country."

The first technicians arrived in the country last Tuesday. They held meetings with officials of the Ministry of Transportation and the Directorate of Port Works of the Ministry of Public Works who will be evaluating the different stages of the plan.

Yesterday they contacted the executives of the Directorate of EMPORCHI [Port Enterprise of Chile] and the administrators of the two ports, Ivan Leiva of Valparaiso and Patricio Toro of San Antonio.

Most of the 15 engineers and technicians are from the Japanese Institute for Foreign Development of the coastal area and a private Japanese institute, International Consultants of the Pacific. They all participate in the mission through the Japanese agency for international cooperation.

The adviser to the Institute for Coastal Development, engineer Katsuhiro Suzunai, heads the mission. The following engineers accompany him: Yasunori Shibahara who will take on the task of planning the land routes between the two ports and Santiago; Takashi Yanase who will work on the plan design in San Antonio; Nobuo Ide, responsible for the structural design in Valparaiso; Akira Ichihara, cost estimate specialist for construction planning; Eiichi Yasuda who will work on port planning in Valparaiso; Yoshiharu Sadamatsu, an economic analysis specialist; and Toshio Yamada, responsible for land structural design.

Engineer Eiichi Tomida, coordinator for the Japanese agency for international cooperation, and engineer Yasuyuki Nakayama, a specialist in port demand who is also supervisor of the main engineering organization, remain in Santiago.

There were mutual introductions at the first meeting held yesterday morning in the auditorium of the Directorate of EMPORCHI. Then the preliminary report sent by the mission was analyzed. There was agreement about the technical viewpoints presented concerning precise aspects of the plan.

The head of the mission, Katsuhiro Suzunai, asked for cooperation in developing the studies in order to guarantee efficient work on the needs of the port.

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CSO; 3348/49

45 COMMERCIAL BANKS RATED FOR SECURITY OF PENSION DEPOSITS

Santiago LA NACION in Spanish 2 Oct 85 p 7

[Text] The Risk Classification Commission yesterday presented, through the DIARIO OFICIAL, its second classification of public offers issued by national and foreign commercial banks, financial associations and other bond issuers.

As to term deposits and other savings bonds expiring 31 December 1985, the 45 banks and financial associations were classified "A" which indicates the lowest risk possible for those instruments. It should be pointed out that this is for deposits that have state insurance and that expire 31 December 1985. The superintendent of banks has pointed out that there will be a decision on extending that insurance.

The classification of letters of credit due after 31 December 1985 was as follows. The following banks were rated "A": O'Higgins, Banco del Estado, Banco de Trabajo, Banco Industrial, Banco de Comercio Exterior, Citibank, Espanol Chile, Morgan Finansa, Centrobanco and Financiera Fusa.

The following banks were rated "B": Chile, Internacional, Osorno, La Union, Continental, Sud Americano, Banco del Pacifico, Concepcion, Edwards, Santiago, Hipotecario, Banco de Fomento Nacional, Colocadora Nacional de Valores, Desarrollo and Financiera Mediterraneo. The Banco del Credito e Inversiones received a rating of "C" due to Article 109 of Decree Law 3.500. The commission indicated that it is studying the new facts provided by the bank. That provision amended by Laws 18.398 and 18.420 establishes that the classification will be maintained while there are appraisals and pending information. The National Bank was also rated "C". The rest of the banks were not classified for those instruments.

Financiera Davens keeps its rating of "E" since there is no information on those issues. However, the commission explained that the new administration of that association is reviewing the information on the institution at the request of the Superintendency of Banks and Financial Institutions.

As to bonds due after 31 December 1985, only three are classified and all are rated "A": Citibank, Morgan Finansa and Urquijo de Chile.

The bonds issued by public or private enterprises were classified as follows: Celulosa Arauco and Constitution, "B"; Compania Siderurgica Huachipato, "D"; Chilectra Metropolitana, "B"; Empresa de Ferrocarriles del Estado, "E"--that is, no information--and Entel, "A".

The commission explained that this classification is for the sole effect of determining the diversification of investments made with the resources of the Pension Funds.

Finally, we can point out the following changes from the classifications of last month. Financiera Davens went down from "A" to "E" and the bonds of the Urquijo and Morgan banks were combined.

7717

CSO: 3348/49

MINISTER HOPES POPE'S 1987 VISIT WILL BE TO UNITED NATION

Santiago TERCERA DE LA HORA in Spanish 22 Oct 85 p 5

[Text] Jaime del Valle, minister of foreign relations, stated yesterday that it is "a great pleasure, a great joy for the government, for the country and especially for the Catholics" to welcome the Holy Father.

"The Pope had expressed a desire to come to Chile for some time and even set a tentative date. However, the conditions were not right because the Treaty of Peace and Friendship with Argentina had not been signed.

"Now, in the midst of all his commitments, he wants to come to Chile. That gives both the government and the church great joy and great pleasure. The bishops had also issued an invitation to him."

Del Valle was notified of the papal visit last Friday but the Holy See expressed the desire that the communique be issued jointly yesterday.

Hearts

The minister was asked about the statement by the archbishop of Santiago, Monsignor Juan Francisco Fresno, who said yesterday morning that the hearts of the Chileans must be reconciled when the Holy Father comes to Chile.

"I think it is a nice idea and a desire that all Chile shares. We want to show His Holiness the unity of the Chilean people, the peace that he can find in our country. Therefore, we all, without exception, must work toward this."

He was also asked if he believes that there could be some gesture by the government, some additional deed, that could facilitate that reconciliation of the Chileans in homage to the Holy Father.

"I think that is a constant concern for the president of the republic. I don't have anything to add. He has shown that it is a constant concern to him.

"I think the concrete announcement of a definite date is an incentive for all to work together, undiscouraged, toward better unity each day."

Relations

The Holy Father's visit is a new element in the relations between the Catholic Church and the government which have allegedly been cold recently. There is a chance that they can now moderate, according to what one journalist told the foreign minister.

"I think, logically, it should help. I think that the government and the church always try to overcome friction or misunderstandings as quickly as possible. That has been the government's position and also, I think, the church's."

The church and the government hold regular talks. The next cycle could resume in the coming days or weeks. Representative Sergio Rillon heads these talks for the government. They have even been held in Rome in past months.

Protocol

Del Valle also referred to the committee that will be appointed to coordinate the details of the Holy Father's visit and, essentially, all the protocol that surrounds such a high-level visit.

The foreign minister stated: "A lot of time is needed for preparations."

7717

CSO: 3348/115

BRIEFS

ANTARCTIC INVESTMENTS SOLICITED--Brig Gen Fernando Hormazabal, minister and vice president of CORFO [Production Development Corporation], appealed to Chilean and foreign investors yesterday to create new national enterprises to operate successfully in Antarctic waters. The official indicated: "This is the only alternative in order to really participate in the development of krill fishing and in the conquest of corresponding international markets." He said: "This will unquestionably help fulfill the national policies and goals concerning Antarctica. Chile needs to define and take actions in order to take advantage of this historic occasion and enjoy the benefits of Antarctica." General Hormazabal made these statements when opening the seminar "Chile and Krill Fishing" which ends today at the Diego Portales building in this capital. The seminar was attended by a hundred executives, experts and professionals. It was organized by CORFO through IFOP [Fishing Promotion Institute]. Its objective was to analyze the prospects of this resource and its exploitation in the short and medium term. During his speech, General Hormazabal revealed: "The Chilean Government, by historical and geographical imperative, has presented the national and international community concrete facts about the Antarctic Province. In 1974, CORFO through IFOP began a complete research program on krill, compiling and generating data and information in order to decide, on solid and realistic bases, about the investment alternatives that krill fishing offers." He revealed that it is necessary to make the decisions to increase national industrial fish development "because it should be understood and accepted that Antarctic fishing is now a reality. Krill presents the best advantages for short-term commercial exploitation." He said: "We hope the investors make concrete proposals so that new Chilean enterprises can materialize to operate in Antarctic waters. After the opening ceremony, the manager of development for CORFO, Cristian Zegers, referred to "krill fishing as a national alternative for Antarctic development." The seminar will end today with a speech by the executive director of IFOP, Roberto Cabezas, who will discuss the topic "national strategy for the development of krill fishing." [Text] [Santiago LA NACION in Spanish 4 Oct 85 p 8] 7717

UNEMPLOYMENT RATE 13.4 PERCENT--Unemployment reached 13.4 percent at the national level in the June-August quarter of this year. This is lower than in the same period in 1984 when it reached 16.1 percent. Hector Kappes, head of the Labor Statistics Department of the INE [National Institute of Statistics], provided this information. He stated that unemployment increased three-tenths of a percent compared to May-July of this year as a result of a slight increase in the rural sector for seasonal reasons. Kappes indicated that the 13.4 percent breaks down into 10.8 percent unemployed and 2.6 percent people

who are looking for work for the first time. The total number of people without work was 510,900 which represents a drop of 90,000 people compared to the same quarter in 1984. The urban unemployment rate went down from 14.5 percent in 1984 to 12.2 percent this year while the rural rate went down from 1.6 percent to 1.2 percent. As to employment, it increased by 174,700 people compared to the June-August quarter of last year. Kappes indicated that if the unemployment rates are analyzed by region, almost all show a definite drop. The only increase compared to last year was in Region III. When comparing the number of people employed by economic sector, it can be noted that agricultural employment increased by 34,300 people; industry by 12,200; electricity, gas and water by 5,000; construction by 24,100; trade by 23,600; transportation by 19,600; financial services by 16,100; and community services by 40,500 peoples. As to the special labor absorption programs, Hector Kappes indicated that PEM [Minimum Employment plan] and POJH [Heads of Household Employment Program] included 318,894 people. This represents a decrease of 11,535 people compared to 1984. The average number of people under PEM was 135,842, a drop of 18,437 compared to last year, while the average in POJH reached 183,055, an increase of 33,612 people compared to the same quarter in 1984. Kappes reported that the wage index last July recorded a real change of -1.1 percent compared to December 1984 and -7.2 percent over a period of 12 months. Finally, he stated that it had changed 0.9 percent compared to last June. [Text] [Santiago LA NACION in Spanish 3 Oct 85 p 9] 7717

DOMESTIC SALES UP--The general index of real domestic sales increased 8 percent last July compared to May, according to the Economic Statistics Division of the INE [National Institute of Statistics] yesterday. In the period January to July, there was an average real change of more than 3.1 percent between 1985 and 1984, the report added. In the 12-month period, also to July 1985, the index shows a positive variation of 9.7 percent. As to wholesale trade, the Statistics Division indicated that there was an increase in sales of 12.2 percent between June and July 1985. In the first 7 months of this year, sales dropped 4.4 percent compared to last year. According to the INE, there was an increase of about 10.9 percent in the 12-month period (August 1984-July 1985). It also stated that the groups that had the highest increases were agricultural, fish and forestry products as well as china, glass and construction materials. As to retail trade, the INE division indicated that there was a 4.5-percent increase in sales between June and July of this year and there was an increase of 8.8 percent in the last 12 months. [Text] [Santiago TERCERA DE LA HORA in Spanish 23 Oct 85 p 12] 7717

INDUSTRIAL PRODUCTION DOWN--The production of the manufacturing sector went down about 5.6 percent in August compared to the same month in 1984. Accumulatively, this means a drop of 1.9 percent during the first 8 months of the year compared to the same period in 1984. According to the Economic Report of the BICE [Industrial and Foreign Trade Bank], the 1.9 percent drop in production seems "more significant for making a diagnosis than merely comparing precise figures." The report stated, however, that industrial sales are reflecting a trend toward recovery. The percentages are 1.5 and 1.1, respectively. This should mean better results in the future in recovery of the levels of production and employment. [Text] [Santiago TERCERA DE LA HORA in Spanish 23 Oct 85 p 13] 7717

ARMY COMMANDS, ATTACHES ANNOUNCED--Capt Gen Augusto Pinochet Ugarte, president of the republic and commander in chief of the Army, met with the assistant commander in chief of the Army, Lt Gen Julio Canessa Robert, to consider leadership changes in Army schools and units. The president issued the following 1986 assignments, among others. School directors: Lt Col Eugenio

Covarrubias Valenzuela, Noncommissioned Officers School; Col Luis Cortes Villa, Infantry School; and Col Jose Zara Holger, Paratrooper and Special Forces School. The following unit commanders were appointed: Col Osvaldo Acevedo Trujillo, Buin Infantry Regiment; Lt Col Mario Alvarado Verdugo, Caupolican Infantry Regiment; Lt Col Juan Bravo Marin, Cazadores Armored Cavalry Regiment; and Lt Col Armando Staeding Shaffer, Coraceros Armored Cavalry Regiment. The chief of state also appointed the following superior officers to serve as military attaches abroad: Col Carlos Pareda, France; Col Eduardo Rodriguez Soto, Paraguay; Col Sergio Urrutia Francke, Colombia; and Col Jaime Garcia Zamorano, Canada. These appointments will take effect after the end of this year. The exact dates will be determined later. [Text] [Santiago TERCERA DE LA HORA in Spanish 23 Oct 85 p 5] 7717

INDUSTRIAL PRODUCTION, SALES FIGURES--Industrial sales increased 1.2 percent during the first 8 months of this year compared to the same period in 1984, according to the INE [National Institute of Statistics] yesterday. The INE reported that industrial sales grew by about 2 percent in August compared to the same month last year. Of the 28 groups included in the indicator, 18 of them showed positive changes in the period January-August 1985. The most significant increases were in: construction of transportation equipment, 37.3 percent; manufacture of professional equipment, 29.4 percent; manufacture of china and porcelain objects, 28 percent; manufacture of plastic products, 13.8 percent; manufacture of clothing, 10.2 percent; manufacture of food products, 8.1 percent; and manufacture of textiles, 7.3 percent. It was reported that there was a decrease in sales in the machinery construction sector, the leather industry and printing and publishing. As to industrial production, the INE reported that this went down 1.1 percent in the period January-August 1985. Comparing August 1985 to August 1984, industrial production decreased 4.9 percent. Of the 28 groups included in the indicator, 12 showed increases in the period analyzed. The INE reported that the sectors that showed the largest production increases in this period included the construction of transportation equipment and the manufacture of china objects, paper, plastic products, professional equipment and metallic products. The INE mentioned some of the groups that decreased in production: the construction of machinery, the leather industry, the manufacture of footwear and printing and publishing. [Text] [Santiago LA NACION in Spanish 8 Oct 85 p 8] 7717

INFLATION RATE 21 PERCENT-- The IPC [Consumer Price Index] changed about 1.2 percent in September compared to the previous month, according to Luis Gatica, head of the Price Department of the INE, yesterday. Gatica stated that this means the accumulated inflation for the year is 21 percent and, for the last 12 months, 34.3 percent. He said that the different sectors had the following effect on the general index: food, 0.6 percent; housing, 0.2 percent; clothing, 0 percent; and miscellaneous, 0.4 percent. The effect of the food sector was caused by price changes for bread, cereals, starches, vegetables, potatoes and tubers. The housing group's effect of 0.2 percent was caused by small increases in the subgroups of rent, purchase and repair of housing and water, fuel and electricity. The clothing group had an effect of 0 percent and the "miscellaneous" group went up 0.4 percent due to changes in the prices of articles in the subgroups of "private transportation" and "recreation." Gatica indicated that the quarterly surveys of rent and medical-dental prices

were taken in September. He explained that of the 347 articles and products surveyed by the INE in order to draw up the IPC in September, 198 of them went up in price, 84 went down and 65 remained the same. Commenting on the September IPC, the official indicated: "It was affected basically by the changes in the price of wheat and, consequently, flour." He indicated that they do not think the IPC will go up much more in the coming months. He also reported that the IPM [Wholesale Price Index] changed 1.8 percent in September. He said that the accumulated IPM for the year reaches 27.7 percent while, in the last 12 months, it totals 44.2 percent. The most important items in the general index of the IPM were: national products, 1.9 percent change; agricultural-livestock products, 1.8 percent; mining products, 1.7 percent; industrial products, 1.9 percent; and imported products, 1.7 percent. Out of a total of 254 articles, 111 increased, 26 went down and 117 remained the same, according to Gatica. [Text] [Santiago LA NACION in Spanish 3 Oct 85 p 7] 7717

CSO; 3348/48

CONGRESSIONAL, MINISTERIAL AID SEEN AS EXCESSIVE

Bogota EL TIEMPO in Spanish 30 Sep 85 pp 1-B, 6-B

[Text] At the present time, the Colombian Congress is studying a bill to reform the Organic Statute of the General Budget of the Nation, including an article stipulating that the government must automatically allocate a sum totaling no less than 2.5 percent of the central sector's budget for the so-called "congressional aid."

If the bill is approved, the "aid" would increase considerably. Suffice it to say that, with this regulation in effect, the "aid" for 1986 would amount to 17 billion pesos, in contrast to the 5.64 billion that will actually be appropriated for this purpose.

The bill has evoked a major controversy, because among many sectors in the country there is the conviction that the "aid" is the perfect instrument of "political patronage," and is not serving the alleged purpose for which it was created: to bring national resources to the areas not reached by the state.

A quick view of the "aid" budget currently being executed would appear to confirm the latter opinion. In the realm of "contributions to the plan and program to promote enterprises useful and beneficial for regional development" (which is the legal term for the "aid"), it is shocking to note that, for sectors such as agriculture, labor, health, development and public works (all crucial to regional development), only 15.8 percent of the total funds appropriated has been earmarked (see chart).

And it is also shocking to find that two sectors (government and education) concentrate 83 percent of the "aid"; or that, with such an unequal regional distribution of wealth in the country, the "contributions to regional development" are concentrated precisely in the departments with the highest income. And this is not because, proportionately, they have more congress members, but rather because their congress members actually appear to be concentrating the largest amount of funds per capita (see chart).

One interpretation of the foregoing would be that the congress members are not really concerned about meeting the needs of regions not reached by the state's control, but rather about maximizing their own advantage.

In the words of the Commission on Public Spending (according to the memorandum released yesterday by this newspaper), "The members of Congress are seeking to distribute their shares so that they may accrue the maximum electoral advantage; in other words, maximizing the volume of votes that they receive for every peso that they appropriate, when the destination of the contribution is not entirely irregular. A simplified scenario is one wherein the electoral maximization is sought through the votes which are directly (underlined in the memorandum) contributed by the beneficiaries of the aid. If so, the distribution of the contributions would be independent of the distribution of income, and it would be directed toward the groups wherein high rates of electoral participation could be achieved."

And, for this purpose, what could be better than to concentrate the contributions in the cities, and turn them over to social groups over which it would be possible to keep some kind of direct control, such as the communal action boards (subordinate to the Ministry of Interior) and the beneficiaries of educational assistance, without any real regard for the distribution of income?

And there would not be much regard for the efficient allocation of the available funds either. In fact, if one reviews the list of budget items allocated by the congress members, one finds much "aid" (in large amounts) for private entities, with an insignificant level of coverage with regard to the availability of educational quotas for public schools, the academic standing of which is infinitely higher. In Bogota alone, there is one high school without any rating which has over 10 million pesos appropriated in 17 different budget items.

The case of the funds for grants is also an example of how inefficient the spending can be, from a social standpoint, when it is handled with a political criterion. In fact, one can readily observe that the money which the state allocates to be distributed by the congress members (in their own name and with control over the beneficiary) is more than that earmarked by the government itself for educational credit; with the aggravating factor that, apart from the "aid," the congress members also control, and for the same purpose, large amounts of the general budget of the nation (see the Icetex item, for example). This means that, in order to be able to receive schooling, when one lacks funds, it is more important to have a personal relationship with a congress member than to have sufficient merit for this, from a personal standpoint. From a social standpoint, this introduces an antidemocratic and irrational bias into that type of spending.

Under these circumstances, it is not strange that the bill to increase the "aid" has aroused the controversy that it evoked, and that individuals as important as those comprising the commission on public spending have recommended the elimination of the pertinent article.

(1) Ley de Presupuesto - Sector Central. 1985			
(2) Distribución por Departamentos de los auxilios Parlamentarios			
(3) Departamento	(4) Valor (en miles de \$)	(5) Parlamentarios	(6) Aux. X Parlam. (en millones de \$)
Antioquia	284.736	39	7.3
Atlántico	164.725	13	12.6
Bolívar	134.160	13	10.3
Boyacá	130.384	18	7.2
Caldas	129.950	13	9.9
Caquetá	158.558	4	39.6
Cauca	147.752	11	13.4
Cesar	107.099	6	17.8
Córdoba	93.228	11	8.4
Bta. Cmarca	1.535.083	44	34.8
Chocó	55.801	5	11.1
Guajira	90.192	4	22.5
Huila	121.845	9	13.5
Magdalena	140.004	10	14.0
Meta	117.700	5	23.5
Nariño	133.630	13	10.2
Norte de S.	88.335	10	8.8
Quindío	152.557	7	21.7
Risaralda	159.636	8	19.9
Santander	130.848	17	7.6
Sucre	117.083	7	16.7
Tolima	118.167	14	8.4
Valle	222.930	28	7.9
(7) Intendencias	141.247		
(8) Comisarias	24.380		

Key to Chart 1:

1. Budget Law-Central Sector, 1985
2. Distribution of congressional aid by departments
3. Department
4. Amount (in thousands of pesos)
5. Congress members
6. Aid X congress members (in thousands of pesos)
7. Superintendencies
8. Territorial commissioners' offices

(1) **Ley de Presupuesto - Sector Central - 1985**

(2) **Distribución por Ministerios de los
Auxilios Parlamentarios**

(3) Entidad	(4) Valor (en miles de pesos)	%
DAS (5)	200	—
Aeronáutica Civil (6)	700	—
Ministerio de Gobierno (7)	1.252.133	26.6
Ministerio de Justicia (8)	900	—
Ministerio de Defensa (9)	6.826	—
Policía Nacional (10)	500	—
Ministerio de Agricultura (11)	38.823	0.8
Ministerio de Trabajo (12)	42.304	0.9
Ministerio de Salud (13)	157.055	3.4
Ministerio de Desarrollo (14)	374.598	7.9
Ministerio de Minas (15)	40.619	0.9
Ministerio de Educación (16)	2.652.672	56.4
Ministerio de Comunicaciones (17)	300	—
Ministerio de Obras Públicas (18)	132.370	2.8

Key to Chart 2:

1. Budget Law-Central Sector, 1985
2. Distribution of congressional aid by ministries
3. Entity
4. Amount (in thousands of pesos)
5. DAS [Administrative Department of Security]
6. Civil Aeronautics
7. Ministry of Interior
8. Ministry of Justice
9. Ministry of Defense
10. National Police
11. Ministry of Agriculture
12. Ministry of Labor
13. Ministry of Health
14. Ministry of Development
15. Ministry of Mines
16. Ministry of Education
17. Ministry of Communications
18. Ministry of Public Works

2909

CSO: 3348/137

BRIEFS

ELECTORAL COURT CEASES FUNCTIONS--The Electoral Court officially announced yesterday that it has ceased its functions in view of the fact that Law 96 of 1985 declared it nonexistent and replaced it with the National Electoral Council. The decision was adopted at a plenum that included six of the nine members of the court after they reached the conclusion that the new law, which was signed by the government of 21 November and published in the Official Gazette on 22 November, left them without the powers to handle the issues they had to review when the law went into effect. It was not stated if this new organization, which has only seven members, will be comprised of the former members of the Electoral Court who are waiting for a statement--possibly on Tuesday--from the Council of State when it meets to settle this issue. Some lawyers feel that there will be a legal vacuum in the country while the Electoral Council members are appointed because there is no competent electoral authority, since Law 96 did not foresee the need to keep the court working until the new council was formed. [By Leonel Fierro T.] [Excerpts] [Bogota EL TIEMPO in Spanish 29 Nov 85 p 8-b PA] /6091

CSO: 3348/244

BRIEFS

LONGER PRESIDENTIAL TERM PROPOSED--Deputy Victor Hugo Alfaro Alfaro has announced that a special commission has approved a draft constitutional amendment increasing from 4 to 5 years the duration of the presidential term, as well as the terms of deputies and municipal officials. He said it was unanimously approved and that as of 1990 the presidential term will be 5 years. The National Liberation Party deputy said the draft reform was studied for several weeks, and it was agreed that it is a good idea to add 1 year to the term in office in Costa Rica. Alfaro Alfaro said that the current 4-year-term is very little time for both the president of the republic and the deputies and municipal council members to carry out programs and plans of [word indistinct]. Now the draft constitutional amendment will have to be approved by an upcoming Legislative Assembly, so it will be up to the new deputies to decide on the constitutional amendment. [Text] [San Jose Radio Reloj in Spanish 0100 GMT 27 Nov 85] /9599

LOAN FROM JAPAN--The Japanese Government will lend Costa Rica \$52.5 million to finance equipment for the Miravalle geothermal project. The loan was established following an exchange of notes between Foreign Minister Carlos Jose Gutierrez and Japanese Ambassador (Yukihisha Eto). On this occasion, Foreign Minister Gutierrez stated that the country is extremely grateful to Japan for the broad collaboration it has offered and is willing to continue offering. [Excerpt] [San Jose Radio Impacto in Spanish 1830 GMT 26 Nov 85 PA] /9599

WEST GERMAN LOAN--A credit for DM 42 million, which is equivalent to \$16 million was granted by the West German government to Costa Rica through a cooperation agreement signed by Costa Rican Foreign Minister Carlos Jose Gutierrez and the FRG Institute for Reconstruction Loans. The money will be used to complete and finance specific priority projects in agriculture, agroindustry, physical and social infrastructure, applied technology, cooperativism, and overall rural development. This credit will be granted at a 4.5 percent annual interest rate, payable in 20 years, the first 5 years of which will be a grace period. [Text] [San Jose Radio Reloj in Spanish 1200 GMT 22 Nov 85] /9599

CSO: 3248/108

REPORT ON NINTH MGR PARTY CONFERENCE

Havana VERDE OLIVO in Spanish 10 Oct 85 pp 14-15

[Article by Elsa Blaquier]

[Excerpts] Maj Gen Ulises Rosales del Toro, member of the Party Central Committee, first deputy minister of the Revolutionary Armed Forces (FAR) and chief of the General Staff, described the 9th Revolutionary Navy (MGR) Party Conference as critical and objective. He said that the principal problems that party members should study and discuss were covered during the conference, as were the work orientations that will enable the Party to remain at the center of the principal tasks and missions of this branch of the Armed Forces.

The central report stated that despite the successes that have been achieved, it is still necessary to struggle to continue making military and political-party work more effective in the interests of enhancing the training and increasing recruitment in all branches of the military, in accordance with the demands of modern combat.

The document also explained that progress has been made in the training of soldiers under conditions as close as possible to those that will prevail in a confrontation with the enemy. Advances have also been made in strengthening the cohesion of the collectives, the report noted, in command organizations as well as among the troops. The Party played an outstanding role at all levels of these efforts, said the report.

Some of the participants in the conference commented on this aspect, pointing out the deficiencies that still persist and require attention. Among them is the need to raise the level of methodological training in classes, and to step up the strict disciplinary control exerted by the upper echelons of the military.

The report also stressed the work done by and with the young officers who have graduated from military schools in this country and the Soviet Union to improve their skills and ability to carry out their functions in the duties that have been assigned to them and in the proper direction of political-military activity with subordinates. In addition, the report noted the

importance of continued emphasis on the training of commanders, mates and seamen.

In this regard, Col Gustavo Milian Rivero, chief of the Central Political Office of the FAR, made a speech in which he stressed the importance of making further headway in the application of the cadre policy idea that was approved by the First Party Congress.

He emphasized that it is necessary to get to know one's subordinates better, not only to be able to evaluate them, but also to work with men in a differentiated way, by exercising critical judgment and helping systematically to eliminate the deficiencies they may have.

Other topics of discussion included the work done in connection with fortifications and camouflage, and the need to maintain and preserve the structures that have been built and to take increasingly effective measures to protect technology and personnel.

Another sphere of work evaluated by the delegates at the 9th Conference was the care, maintenance and preservation of technology and weaponry. This issue is given ongoing attention in political and party activities in order to find solutions to technological problems and increase the soldiers' awareness of the manipulation and correct use of equipment and of measures to prevent failures.

Strengthening military and labor discipline and improving the material and living conditions of the personnel were also key topics at the Conference. In this regard, the influence that full compliance with regulations in the units and the development of recreational, cultural and sports activities have on the morale of the soldiers was also emphasized. It was noted that there are still cases of formalism, which Communists must strive to eliminate. They must also make a greater contribution to improving the quality, content and result of their work.

In assessing ideological work, significant achievements were noted in the effectiveness of these efforts, which contributed to the successful completion of important missions assigned to this branch of the military, such as maneuvers, exercises, training sessions and other aspects of instruction or the defense of the fatherland. All this points to more effective work by the chiefs, political agencies, party organizations, the Union of Young Communists, and the Union of Civilian Workers.

The tasks of savings, the mobilizing role of Socialist Emulation, the application of the cadre policy, and the internal life of the Party were all thoroughly analyzed, and positive advances were reported.

MGR Delegates to 3rd Party Congress

Vice-Adm Aldo Santamaria Cuadrado; Rear Adms Jose Luis Cuza Tellez-Giron and Pedro M. Perez Betancourt; Capts Miguel Valle Miranda, Ramon Ferra Salazar, Carlos A. Maidagan Espinel and Pedro Perera Ruiz; Cols Jorge L. Guerrero

Almaguer and Alfredo Silvente Ortiz; and Civilian Worker Douglas Ramirez Rodriguez.

INSPECTIONS FIND MANAGEMENT NOT RESPONDING TO VIOLATIONS

Havana TRABAJADORES in Spanish 9 Oct 85 p 4

[Text] During the first 6 months of 1985, the Territorial Labor Inspection Delegation in the provinces of Havana and the Isle of Youth made 228 visits to workplaces, broken down as follows: 125 planned labor inspections, 79 reinspections, and 24 special inspections. The result was 8,171 violations.

These visits have made possible serious evaluations of the degree to which labor and social security legislation is being enforced at the inspected worksites. As a result, on many occasions the directors of the establishments inspected have been requested to relieve the officials or managers implicated in the violations of the law. These dismissals are based on the provisions of Decree-Law 36 of 1980.

Thus, the situation in the first 6 months is the following:

--There have been 106 requests to enforce Decree-Law 36 in the establishments visited.

--A total of 98 officials and managers have been punished.

Cause of Requests

--Numerous infractions or a situation of considerable deterioration or poor enforcement of our labor and social security legislation: 74.

--Failing to rectify the indicated infractions, or deficient management: 27.

--Providing false information on the rectification of the infractions detected by the labor inspection: 5.

All This Despite Consultation and Training

The Department of Labor Inspection of the Territorial Inspection Delegation gives special attention and assistance to the establishments, workplaces, union locals and workers. It provides cooperation through different types of consultation, such as:

--Quarterly meetings with the establishments that are to be inspected, with the participation of the managers and technicians involved in the activity. On each occasion, the areas most susceptible to violations of the law and the problems that are most often noticed by the inspectors are explained, and experiences acquired during inspections are shared.

--Seminars are given at the workplaces on the different provisions of the law and some aspects that are subject to inspection.

--During the visits to the establishments, inspectors compare notes on their experiences with the officials, managers and technicians in the areas of personnel, work organization and wages and economy.

--The Inspection Department sets aside every Wednesday to receive the public, providing assistance and advice to those who come, who may be management personnel, union representatives, Labor Council members or workers in general.

As can be seen, various consultative mechanisms have been set up in addition to those that are intrinsic to the establishments themselves, but even so, when it comes time to inspect and monitor enforcement of labor and social security legislation, numerous violations of the socialist laws can be observed anyway. They are manifested in the failure of officials or managers to meet the obligations incumbent upon them in the role they play in our society.

In most cases, the violations of legislative provisions are not due to ignorance, but rather to the lack of self-discipline on the part of the manager who is responsible for the proper enforcement of our legislation, in accordance with the rights and duties conferred upon all of us by socialism.

8926

CS0: 3248/75

BRIEFS

FAR REARGUARD PARTY DELEGATES--Maj Gen Rogelio Acevedo Gonzalez; Brig Gen Julio Fernandez Perez; Cols Juan Torres Muniz, Oscar Puig Cespedes, Ariel Fernandez Hernandez and Fidencio Gonzalez Peraza; Lt Col Justo Rosabal Mejias; Maj Margarita de la C. Veliz Rios; and Civilian Worker Jose Guzman Perez. [Text] [Havana VERDE OLIVO in Spanish 17 Oct 85 p 15] 8926

CIVILIANS IN ETHIOPIA DONATE FUNDS--Addis Ababa, 3 October--Cuban civilian personnel in Ethiopia today donated the equivalent of \$25,000 to the committee to provide aid and rehabilitation to the victims of the drought in this East African nation. The donation was presented by Cuban Ambassador Francisco Cabrera to Dawit Wolde-Giorgis, the aid and rehabilitation commissioner. [Text] [Havana TRABAJADORES in Spanish 4 Oct 85 p 3] 8926

CSO: 3248/75

BANK ISSUES REPORT ON 1984 ECONOMIC PERFORMANCE

FL121610 Bridgetown CANA in English 2221 GMT 10 Nov 85

[Text] Roseau, 10 Nov (CANA)--The Dominica economy had a mixed performance last year, even though recording some growth, according to the Eastern Caribbean Central Bank (ECCB).

In its annual report, just released, the bank said exports of bananas--the main foreign exchange earner--were up, but so were overall imports.

Manufacturing activity was hampered, but the construction and tourism industries registered improvements.

The ECCB said that in real terms, gross domestic product (GDP) grew at about 4.3 percent compared with a rate of growth of 2.5 percent in 1983.

The growth in output was facilitated primarily by increased activity in the agricultural and construction sectors. The other major sectors--government services and retail trade--showed real increases of two percent and 1.4 percent respectively, while value added by the manufacturing sector declined by one percent, the bank report said.

It said agricultural activity accounted for 22 percent of total output of goods and services and 6.9 percent of value added in 1984.

Production of bananas, the most important crop, suffered a slight setback when a windstorm damaged 25 percent of the crop in July. However, by year-end, output had recovered to the extent that volumes for the year as a whole increased by 12 percent to 33,000 tonnes.

It is estimated that output of copra increased to 2,300 tonnes, mainly as a result of previous replanting and expansion programmes following the destruction by hurricane in 1979. Copra is the basic raw material used in the local soap and oil industry.

Efforts to diversify agricultural activity continued into 1984. The tree crop programme has begun to yield results with output of some crops--citrus, mangoes, avocados and coffee--improving.

Manufacturing activity was curtailed in 1984, with value added falling by one percent. Production of soap, the main manufactured product, declined and exports fell 27 percent below the 1983 level. Weak demand, due to trading difficulties associated with foreign exchange problems of the main trading partners, was a major contributory factor to the decline.

Production of coconut oil and galvanized sheets registered small increases, while output in the garment industry was reduced by more than half as a result of the closure of a garment factory in 1984.

Value added by the construction sector increased by 15 percent. Activity in this sector was concentrated on the road rehabilitation programme (a major capital project), as well as the building of a spring water bottling plant.

There was continued improvement in the tourist trade in 1984. Arrivals of stop-over visitors totalled 23,829, about seven percent higher than for 1983. The upturn in the U.S. economy had no marked effect on visitor arrivals from this source; the number recorded was 4,157, about the same as in 1983.

The slow economic recovery in Europe, and the reduction in the purchasing power of European currencies in dollar markets, resulted in a 4.3 percent decline in European visitors.

The overall increase in visitor arrivals is attributable to a small increase in other categories of arrivals.

Cruise passenger arrivals declined by 47 percent to 2,773, as the number of cruise ship calls fell from 17 in 1983 to 12 last year.

Inflation, as measured by the consumer price index, continued to decline in Dominica during 1984. A new index with wider coverage was introduced with July 1984 as the base. The inflation rate during the last six months of the year averaged only 1.8 percent, due primarily to the low rate of inflation in most of Dominica's trading partner countries, which had a moderating effect on import prices.

The current balance of payments account deteriorated from minus 10.4 million dollars (one EC dollar; 37 U.S. cents) in 1983 to minus 29 million dollars in 1984, reflecting mainly increased merchandise imports related to investment projects.

A slight reduction in exports and increased debt service payments also contributed to the widened current deficit.

Total exports fell by 6.7 percent. Despite an increase of 12 percent in the export volume of bananas, earnings of 30.04 million dollars was about the same as the previous year.

Although the green market price for bananas in the United Kingdom increased, the average unit price in EC dollars declined by almost five percent during 1984 due to the continued depreciation of the exchange rate of sterling.

The export of soap, seriously affected by constraints in the Caribbean Community (Caricom) market, was reduced sharply by 26.6 percent. The closing of a garment factory reduced the export of clothing from 1.6 million dollars in 1983 to about 0.5 million dollars in 1984.

The Caricom market as a destination for Dominica exports declined in importance, and accounted for 41 percent of total exports compared to 48 percent in 1983.

Imports rose appreciably to reach an estimated 156.1 million dollars by year-end, compared to 121.7 million dollars in 1983.

The increased imports were associated primarily with the importation of materials and equipment for the major road rehabilitation programme currently in progress in Dominica. Accordingly, purchases of petroleum and related products, iron and steel, specialised equipment and road vehicles were the major items accounting for the increase.

Consequently, the trade deficit widened and almost doubled, to reach 87 million dollars.

There was some improvement in the service account as tourist expenditures rose by 10 percent to 13.4 million dollars, as a result of the seven percent increase in stop-over visitors.

Net private transfers were lower by 26 percent, due mainly to reduced receipts associated with the average fall of 13.5 percent in the pound sterling.

Government's emphasis on fiscal discipline during 1984 resulted in an improved fiscal performance. The position on the current account moved to a surplus of 0.2 million dollars at the end of December 1984, compared to deficit of 5.4 million a year earlier.

The bank said that during the year there was a concerted effort to contain current expenditure, which despite a 10 percent increase in civil servants' salaries in January 1984, rose by only 12 percent to 73.6 million dollars.

Wages and salaries accounted for 57 percent of current expenditure compared with 56.3 percent in 1983. The other major item of increased expenditure was transfers, which rose by 32.6 percent to 6.9 million dollars.

Current revenues increased more rapidly, by 22 percent to 73.7 million dollars. The increase was mainly attributable to revenues from tax measures introduced in the previous year and more effective revenue collected methods.

During the first half of the last year, government successfully completed a three-year external fund facility programme with the International Monetary Fund. Subsequently, in July it negotiated with the IMF for a standby arrangement in the amount of 1.4 million special drawing rights.

/9274

CSO: 3298/124

CARIBS TO ASK GOVERNMENT FOR ASSEMBLY REPRESENTATION

Roseau THE NEW CHRONICLE in English 20 Sep 85 p 3

[Text]

Carib Chief Irvine Auguiste has said that the Caribs plan to seek government permission for a Carib representative to sit in the House of Assembly.

"This is something we are looking at very seriously and it will definitely reach the House of Assembly because the Parliamentary representative whether it is a woman or a man, Labour, Freedom or Alliance doesn't really represent the Caribs totally. We believe the representative of the Carib people is the Carib Chief, because of the

persons to whom the Parliamentary Representative must adhere, because of certain policies and because the constituency is made up of Caribs. Therefore we believe there should be a mutual representative in the House not affiliated to any one party someone like the Carib Chief or anyone else we designate for the position."

Mr. Auguiste said that although their Parliamentary Representative Ann Timothy is a Carib herself, her constituency is made of Caribs and a certain portion of Atkinson, she

is representing two interests. Therefore "her political contributions would have to come first since it would be how she presents her case for the people in the House that would keep her in the Party."

The Carib Chief added that the Carib Reserve comprises of an elected committee which has existed for five years which meets regularly to decide on the needs for the community. He said there are also committees in each of the hamlets which report regularly the developmental and project needs. Having a Carib representative in the House will make parliamentarians more aware of the Caribs' needs he said.

A week of activities marking the 55th anniversary of the 1930's Carib Riot comes to a close this Sunday with a rally and exhibition on the Reserve.

/9274

CSO: 3298/124

BRIEFS

LABOUR YOUTHS TO CUBA--A delegation of Labour Youths left the State on Sunday 7 September 1985 to attend a Youth Conference on the Foreign Debt Crisis of Latin America and the Caribbean, in Havana, Cuba. According to a Labour Party news release, the Conference is a follow-up on others that have been held with political leaders, Women's Organisation, Trade Unions and Businessmen of the region. In addition to Senator Irvin Knight, the other members of the delegation are, John Leethauy of Grand Bay, Claudia Dorsette of Bense and Sobers Esprit of Mahaut. [Text] [Roseau THE NEW CHRONICLE in English 20 Sep 85 p 8]

RAIN DAMAGE--A spokesman for the Ministry of Communication and Works told the New Chronicle that damage caused by heavy rainfall last weekend is estimated at some \$900,000.00. The steady rains of Friday and Saturday swept away two lengths of 12 inch pipe which put Roseau and environs in a state of waterlessness for a few days, caused landslides on the West Coast road by Jel Lion, several sections of the Roseau, Loubicre, Pointe Michel, Scotts Head road, the Roseau to Grand Bay road and the Bois Diable/Castle Bruce road. There was even the evacuation of some persons in the village of Campbell on the Saturday from the threat of flooding. An average 10.68 inches of rain were recorded by the Agricultural Division for the Friday-Saturday-Sunday period. [Text] [Roseau THE NEW CHRONICLE in English 11 Oct 85 p 1]

DOUGLAS ON CHARLES' AGE--Roseau, Sun., (CANA)--Dominica Prime Minister Eugenia Charles, now 66, has brushed aside Opposition suggestions that she may be too old to run the country, and might soon give up politics. Opposition Leader Michael Douglas had, in the Press here, suggested that it was time the British-trained lawyer and lone woman Prime Minister in the Caribbean give way to a younger and more vibrant leader. But at a Press conference on Friday, Miss Charles retorted that she liked the US and Russian and Chinese examples--a reference to countries whose leaders are frequently in their 70s or 80s. She felt she had the strength, dedication and time to continue, and was prepared to lead her ruling Dominica Freedom Party (DFP) into the next general elections, constitutionally due here in 1990. The DFP won the last election in July, this year, with a 15-6 majority. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 4 Nov 85 p 5] /9274

PRE-ELECTION DEVELOPMENTS, PARTY MANEUVERING REPORTED

Preliminary Voters' Lists

Georgetown GUYANA CHRONICLE in English 17 Oct 85 pp 1, 4-5

[Text]

THE preliminary voters' list for general elections was released yesterday and is being posted up at more than 2 000 places throughout the country.

The list was released in keeping with an order issued by Home Affairs Minister Jeffrey Thomas to Commissioner of Registration Roy Hammond following directives by President Desmond Hoyte.

Copies of the list are available to all political parties and the Minority People's Progressive Party and the Working People's Alliance, have already collected theirs, an official of the National Registration Office confirmed yesterday afternoon.

The list can be scrutinised by members of the public throughout the country. For this purpose the country is divided into more than 800 Electoral Divisions.

Claims and objections relating to the list can be made to any of the 65 Registrars and Deputy Registrars based in the relevant district.

Office hours for claims and objections are 16:30 hrs to 18:30 hrs. from Mondays to Saturdays and 10:00 hrs to 12:00 hrs on Sundays.

And in keeping with President Hoyte's un-

dertaking to effect certain changes in the electoral laws, the Representation of the People (Amendment) Bill 1985 will shortly be tabled in the National Assembly to restrict proxy voting, abolish postal voting and restrict overseas balloting to public sector employees and students engaged in full-time study overseas.

These reforms, Cde Hoyte had pointed out, are intended to put to rest various complaints that have been made by Opposition forces with regard to past elections.

According to the Bill published in the Official Gazette of October 12, the following electors shall be entitled to vote by proxy:-

- those unable, or likely to be unable, to go in person to the polling place because of employment as a member of the Disciplined Forces, a Rural Constable or as an official connected with the election, and

- persons unable to go to polling places as a result of blindness or any other physical incapacity.

The Bill also contains provision for the Chief Elections Officer to prepare a Non-Resident Electors' Roll not later than the twenty-first day before

Election Day.

The Non-Resident Electors' Roll will include the name of every elector whose name is on the Non-Residents' Roll and who is employed by the Government or any public corporation in which the controlling interest vests in the State.

A student engaged in any full-time course of study in any educational institution in any country other than Guyana will also qualify to be included on the Non-Residents' Electors' Roll.

Every person whose name is included in the Non-Residents' Roll shall be entitled to vote.

With regard to the preliminary voters' lists, eleven days have been prescribed by the law for persons wishing to submit claims for the inclusion of their names on the list.

Persons wishing to object to the inclusion of any names will have 14 days within which to do so.

After the expiration of the period for submitting claims and objections and the publishing of the revised list of voters resulting therefrom, the Commissioner is required by law to continue the process of purifying the list.

(GNA)

Slap at Army's Role

Georgetown OPEN WORD in English 21 Oct 85 p 2

[Untitled Editorial]

[Text] Major General McLean and his officers held a press conference, but discriminated against some newspapers, including OPEN WORD, by not inviting all. Elections are just around the corner and this is how the Major-General is behaving.

He was flanked by Brigadier Granger and Col Liverpool, but the Major Gen. did all the firing.

He talked of the right of the GDF to intervene in elections, just when President Hoyte is trying to give a different impression. Warning to his subject, the Major-General said that it would be "reckless" to keep his troops in barracks during a period of "heightened tension."

McLean sounded like a South African police officer or a tough sheriff from the South of the USA.

He said: "We can't allow people to come and disrupt the free flow of elections".

Why does the Major General presume tension? Why does the Major General presume tension? Why does he presume that at every sign of tension, even of "heightened tension" men must be out of barracks? Is it because he is both policeman and soldier? He made no case at all for army involvement.

President Hoyte boasted, "Burnham left us at peace."

The Major-General has chosen to hold his select press conference at a time when the President is abroad adding his voice and Guyana's vote to the condemnation of the unleashing of military force against the population of South Africa, including its children.

Guyanese must await the return of President Hoyte, the Commander-in-Chief, when he will have the opportunity to endorse or overrule his newly promoted Major-General's not so veiled threats against our unarmed population.

In a statement issued last Saturday, WPA said that it "takes the view that if President Hoyte wants to put his own stamp on the Presidency, he will be forced to yield to public opinion at home and in the region and remove, not some, but each and every obstacle to a free and fair poll."

The WPA release continued: "Given Guyana's electoral reputation, and having staked his own personal reputation on the ultimate purity of the voters' list, he will hardly seek to earn the label of confidence trickster by failing to legislate for a preliminary count.

"The decision whether to have a preliminary count at the place of polling seems to be directly within President Hoyte's province of ordering legislation. It is therefore up to him to end the Burnhamite practice of no preliminary count which leaves the country ignorant of the party standings

in various polling divisions. In his recent visit to the Caribbean, WPA's Eusi Kwayana described this as a political barbarism and said that it contradicted the principle of political competition and the multiparty system."

Voters' List Extension

Georgetown SUNDAY CHRONICLE in English 27 Oct 85 pp 1, 2

[Text]

THE deadlines for submission of claims and objections in relation to the recently published preliminary voters' list have been extended at the request of Minority Leader Dr. Cheddi Jagan in the National Assembly Friday evening. The request was granted by Home Affairs Minister Jeffrey Thomas. The extension gives members of the public more time to scrutinise the list.

Under an order signed by Home Affairs Minister Jeffrey Thomas, the deadline for claims has been extended from today to November 6 and the deadline for objections extended from October 30 to November 11.

The order, issued yesterday, enhances the implementation of an undertaking by President Desmond Hoyte that the Preliminary Voters' List would be published early, allowing registrants and

political parties to scrutinise them and make any necessary representation.

There are 372 708 names on the list, representing persons eligible to vote at elections, due by the end of March, next year.

A senior national registration official said yesterday there have so far been no objections to the list. Registrants have, however, been making a number of claims to have omissions corrected, the official said.

As a result of the claims, a number of additions are expected to the list.

Meanwhile, National Registration officials have announced the waiving of the monetary deposits usually required when claims or objections are made.

A preliminary Voters' List was posted at some 2 000 locations countrywide on October 16, following the undertaking given by President Hoyte that the

list would be available early for public scrutiny.

The notice issued by Minister Thomas under the National Registration (Residents) Regulations, for the extension of time for submission of claims and objections states that:

"Every claim under regulation 23 (1) of the aforesaid regulations shall be submitted within twenty-one days after the day prescribed by regulation 22 (1) of the said regulations, instead of within eleven days after that day as prescribed by regulation 25(1) of the said regulations, and

"Every objection under regulation 23 (2) of the aforesaid regulations shall be submitted within four days after the day prescribed by regulation 25 (2) (a) of the said regulations, instead of within two days after that day as prescribed by regulation 25 (1) of the said regulations." (GNA)

Attack on PPP Stand

Georgetown SUNDAY CHRONICLE in English 27 Oct 85 p 1

[Editorial Comment]

[Text]

When the People's Progressive Party voted against the Representation of the People (Amendment) Bill in the National Assembly, Dr. Cheddi Jagan and his Minority revealed a startling bankruptcy.

For when he called for a division of the House, and when he and his PPP voted against the measure, Dr. Jagan was in fact saying no to the abolition of postal voting, and no to the restricting of proxy and overseas votes.

But then, how could he?

Over the years, and after each successive People's National Congress win at the polls, has not Dr. Jagan accused the ruling Party of using these very measures to make sure that it remains in power?

Has he not repeated such accusations, ad nauseam, at forums here, there and everywhere, at home and abroad? Has he not repeatedly made appeals to the PNC to do away with these very measures which have been done away with through the amendment passed Friday night? And now Dr. Jagan says "No."

What does Dr. Jagan want? If we were to put ourselves in his position, would we not be better advised to accept the amendment and then, later, tackle other issues with which we are not too happy?

But Dr. Jagan said, "No."

Could it be that he does not want elections to be held? Did he go against his better judgement and vote against the amendment so that an atmosphere of friction and discontent will still be abroad come election time, a state of affairs which might just suit the purpose of our enemies?

The very arguments he articulated in the Assembly Friday night are illogical. He claimed that the new amendment will open the floodgates for new frauds during the upcoming general elections. The logic eludes us. But it does seem as if Dr. Jagan is under some compulsion to cry "wolf" even when he is offered the opportunity to be removed from the forest, where he has been obsessed with the chimera of, according to him, unfair general elections processes.

It might be, too, that he is thinking ahead as to what he will say when elections have come and gone and the PNC is still in power. With his "No" in the National Assembly, he can then say: "I told you so."

But come on, Dr. Jagan. That is not quite cricket.

For the Government has amended the Representation of the People Bill "in a spirit of compromise and in search of a national consensus." The Government has shown that it is responsive to representations made.

The amendment is the Government's way of coming to grips with criticisms made by the PPP, removing cause for complaint, even though unjustified, about the electoral process.

The new measure is also indicative of the Government's efforts to do everything possible to bring about greater national unity, seeking to remove areas of contention, even though unjustified, and, in this way, hoping to push ahead with national development at maximum speed.

Dr. Jagan's "No" might seem to indicate that he is not quite ready for such development.

Announcement of Polling Date

Georgetown GUYANA CHRONICLE in English 31 Oct 85 pp 1, 4

[Article by Colin King: "General Elections Dec 9, Announces President Hoyte. President Could Not Accede to Jagan's Request To Postpone Elections Indefinitely."]

[Text] Guyanese will go to the polls on December 9, President Desmond Hoyte announced last evening.

The announcement was made in Cde. Hoyte's maiden address, as President, to the Supreme Congress of the People at the packed National Cultural Centre.

He also announced his intention to dissolve, as of today, Parliament, the Supreme Congress, the National Congress of Local Democratic Organs and the Regional Democratic Councils. The relevant proclamations were scheduled to be issued later last night.

Resounding applause greeted the elections announcement by the President who, in his 40-minute address, also dealt with relations with the Minority People's Progressive Party and recent amendments to the electoral laws.

Elections were last held in Guyana in December 1980.

The Government had until the end of March, next year to call elections.

Stressing that Guyana's political life "should be vibrant and dynamic", and that Guyanese should be able to discuss "matters of substance", Cde. Hoyte noted that talks with the PPP were proceeding.

"It is my hope that they will progress in a manner which will enable us all to pool our talents and resources for the purpose of building our country", the President said.

Cde. Hoyte noted however, that "many political factions in our country have sought, over the years, to explain or excuse their electoral defeats by making repeated, strident allegations about rigging and electoral irregularities."

"They have concentrated their attacks on the provisions of the electoral law relating to overseas, postal and proxy voting," he noted.

Cde. Hoyte expressed grave disappointment that the PPP, which has called for changes in the law in this respect, voted against legislation recently introduced in the National Assembly. This is an "incomprehensible and inexplicable" stand and "it is up to the Guyanese public to judge," the President told the packed hall.

The President also informed the sitting of the Supreme Congress, from which the PPP absented itself, (in spite of "assurances implicitly given and accepted") of recent efforts by Minority Leader Cheddi Jagan to have the elections postponed.

"I was unable to accede to a proposal put to me by the Cde. Minority Leader that the People's National Congress and the People's Progressive Party should agree to postpone the forthcoming elections indefinitely, and for this purpose, to combine in the Parliament to amend the Constitution, so as to enable the ongoing talks between our parties to be completed," the President reported.

"These talks can and ought to proceed to a successful conclusion. I find no nexus between the ongoing talks and the forthcoming elections," the President emphasised.

Cde. Hoyte, who strongly lamented the PPP's position on the recent amendments to restrict proxy and overseas voting and abolish postal voting said however: "I sincerely hope that the legislative amendments to

our electoral laws will be received in the spirit of conciliation and the search for national consensus by which they were inspired.

"They certainly do meet specific requests previously made by the Minority Leader and I am confident that the electorate will recognise that an earnest effort is being made to ensure that the popular will is expressed in a manner that is proof against

criticism, however ingenious."

He noted that the voters' list was deliberately issued earlier than usual, and that, at the request of the Minority Leader, in the National Assembly, the time for claims and objections in relation to the list was extended.

Towards the end of his enthusiastically-received address, Cde. Hoyte noted that the life of the present

Parliament has "almost expired."

He told the Supreme Congress, grouping 89 members of the National Assembly and National Congress of Local Democratic Organs, that he proposed "later today to issue proclamations dissolving the Parliament and consequentially this

Congress as well as the National Congress of Local

Democratic Organs and the Regional Democratic Councils with effect from October 31, 1985, and at the same time appoint December 9, 1985, as the date for holding elections to the National Assembly and the Regional Democratic Councils."

In the light of the announcements, he thanked members for service "so selflessly rendered to the nation both as members of this combined body and as

members of the component bodies to which you belong."

"Whether you return or not, I wish you Godspeed in your continued endeavour to promote the cause of this great land and to make of it a happy and comfortable home to house a decent, humane, caring, compassionate, but proud, confident, and strong society," he concluded to thunderous applause.

PPP-WPA Talks

FL041620 Bridgetown CANA in English 1534 GMT 4 Nov 85

[Text] Georgetown, 4 Nov (CANA)--Executive members of the opposition People's Progressive Party (PPP) and the Working People's Alliance (WPA) held several hours of discussions over the weekend, as Guyanese continued gearing for a 9 December general election.

The two leftist opposition groups made no statement on the talks, which were expected to focus on cooperation during the election.

The PPP team was led by parliamentarians Feroze Mohammed and Reepu Daaman Persaud, while the WPA side was headed by Dr Rupert Roopnarine and Jocelyn Down.

The PPP and the WPA are the main opponents of the ruling People's National Congress (PNC). Another party down to contest the poll is the Democratic Labour Movement (DLM).

Leader of the Marxist PPP, former Guyana Premier Dr Cheddi Jagan, told CANA last week that he would not have discussions with the DLM. The DLM had written the PPP seeking a possible alliance to fight the PNC in the general election. Dr Jagan said there was no way the PPP would join forces with the right wing reactionary DLM.

There has been an exchange of letters by the WPA and the PPP on a possible merger.

Jagan Denial

Port-of-Spain EXPRESS in English 8 Nov 85 p 53

[Text]

GEORGETOWN, Thursday, (CANA) — Leader of the opposition Marxist People's Progressive Party (PPP), Dr Cheddi Jagan, today denied that his party had held talks with another opposition group, the Workers People's Alliance (WPA), on a possible merger to fight the

ruling People's National Congress (PNC) in next month's general elections.

"This is ridiculous," Jagan told a press conference. "The PPP never discussed any such merger."

"But even more insidious was the deliberate accusation that they were some foreign observers present," he added. "This is another blatant fabrication (and) such misinformation could only come from those intent on fooling the Guyanese people and is part of a campaign which has failed and will continue to fail to question the genuine patriotism of the PPP."

Jagan also said that the PPP believed the results of the December 9 poll would be suspect unless there was a guarantee for fair counting of the ballots on election day.

The PPP has asked for counting to take place at polling stations but President Desmond Hoyte says

that this would not be logistically possible.

Hoyte says the PPP can have representatives accompany the ballot boxes to counting stations.

Jagan said another outstanding issue was an independent elections commission that would not be hindered in the exercise of its constitutional powers.

"Already there appear signs that the ruling party has taken control of the elections," he said.

The veteran Marxist politician said he felt very strongly that the military can contribute as much as 35,000 votes to the PNC by virtue of what he claims will be rigging.

The PPP has not yet announced whether it would contest the poll.

Political parties contesting the election, which is to be held under the system of Proportional Representation, have until November 8 to submit their list of candidates.

Rejection of PPP-WPA Merger

Port-of-Spain SUNDAY GUARDIAN in English 10 Nov 85 p 4

[Text]

GEORGETOWN, Sat (Cana)—

THE opposition Working Peoples Alliance (WPA) says it has had talks with the Marxist Peoples Progressive Party (PPP) on the political situation here but these have not centred on a merger.

The government media had reported that the two parties were talking of merging.

Eusi Kwayana, a senior member of the WPA's leadership, denied the report at a news conference today, saying this (a merger) will not happen in the foreseeable future.

We have initiated discussions. We have exchanged views and impressions and will continue to do so.

Kwayana disclosed that a group of citizens had encouraged the WPA to contest the December 9 general elections on a joint-slate with the

PPP, where neither party will argue for parity, but this had not materialised.

He said the people of Guyana had suffered from 20 years of misrule under the ruling Peoples National Congress (PNC).

Despite reforms in the scrapping of postal voting and the restriction of overseas voting, Kwayana said he saw no sign of a fair and free election.

There is political terrorism and some people feared to be put on our elections lists, he claimed.

In particular, he said the WPA, which is contesting an election for the first time, was demanding a preliminary count of the ballots at the polling places, — a move also being sought by the PPP.

PNC Nominations

Port-of-Spain TRINIDAD GUARDIAN in English 9 Nov 85 p 5

[Text]

GEORGETOWN, Fri., (Cana)

THE WIDOW of late Guyana President, Forbes Burnham, is among the list of candidates named by the ruling People's National Congress (PNC) for next month's general elections. Viola Burnham was appointed a Vice-President and first deputy Prime Minister a week after the death, last August of her husband and PNC founder.

Under Guyana's system of proportional representation, political parties can nominate up to 65 people for the 53 seats in the National Assembly (Parliament).

Mrs. Burnham is one of 35 new faces in the PNC list of 65. Others include businessman Claude Geddes, football coach Lennox Arthur and attorney Jaillal Kisoan.

Notable omission include Energy and Mines Minister Harun Rashid and Minister of State for Regional Development Harold Singh.

Seven parties, including one not previously heard of, announced their intention to participate in the December 9 poll by submitting nomination papers to the chief elections officer last night.

Leader of the Main Opposition People's Progressive Party (PPP), Dr Cheddi Jagan, insists that his party has made no final decision on whether to contest the elections.

"We will tell of our decision after discussions with the Elections Commission," Jagan told Cana.

He has sought a meeting with the Commission to discuss areas of concern, including a recommendation that ballots be counted at the places of polling to prevent any PNC rigging.

The PPP has persistently claimed that the last three elections in Guyana were fraudulently conducted. An international team of observers concluded that the previous poll five years ago, in which the PNC secured 42 seats, was rigged.

Other parties seeking to unseat the PNC, which has ruled since 1964, are the leftist Working People's Alliance (WPA) and People's Democratic Movement (PDM) and the right-wing United Force (UF), the Democratic Labour Movement (DLM) and the National Democratic Front (NDF), of which little is known.

The PPP's list shows 24 survivors from 1980. Not among them are deputy leader Boysie Ramkarran and Finance spokesman Narbada Persaud.

Jagan's wife Janet is however, included, as is journalist Moses Nagamootoo.

The list of the WPA, considered the third political force in Guyana, is headed by Eusi Kwayana, a former PNC stalwart. The best known of the others are Dr. Roopert Roopnarine, Bonita Harris and Lawyer Moses Bhagwan.

Historian Paul Tennassee heads the DLM, which unsuccessfully sought an electoral alliance with the PPP.

The PDM is led by lawyer Llewellyn John, who has not released his list of candidates to the media.

Chairman of the NDF, George Thompson, told surprised journalists that his party was three years old, and despised socialism.

Only three parties contested the last election.

Analysis of Reform 'Hints'

Port-of-Spain TRINIDAD GUARDIAN in English 6 Nov 85 p 14

[Unsigned article: "Hint of Electoral Reforms in Guyana"]

[Text]

THOUGH welcome, the recent presidential hint of forthcoming reforms in Guyana's much-criticised electoral system, fashioned by the ruling Peoples National Congress (PNC) during two decades in power, has not satisfied government's main political opponents.

With general elections widely expected this December, both Dr. Cheddi Jagan's Peoples' Progressive Party (PPP), the main Opposition in Parliament, and the smaller Working Peoples Alliance (WPA), are clearly intent on seeing more radical changes.

UNFAIR

Guyana's new President Desmond Hoyte, in a radio broadcast to mark his first 60 days in office, said the changes under consideration would remove once and for all the opportunity for any political party defeated at the polls to say that balloting was unfair.

Said Hoyte: "Consideration is being given, among other things, to restricting or abolishing, as may be necessary, postal voting, proxy voting and overseas voting."

Since then the President has promised that a pure voters list coming out government's recent enumeration exercise will be published shortly.

He said it would be

made available to all political parties which will be given ample time to scrutinise it to avoid allegations afterward that the list was padded.

But, given the charges of electoral fraud frequently hurled at the PNC regime over and over again in the last 17 years, both the PPP and WPA are seeking to have

the entire elections machinery be removed from ministerial control and placed in the hands of the Elections Commission provided for in the Constitution.

INVOLVEMENT

The six-year-old WPA, which has never contested national elections, has in fact moved to the courts with a writ seeking an injunction to restrain the Minister of Home Affairs from any further involvement in the actual conduct of elections.

As it stands responsibility for elections here is split between the Commission and the Home Affairs Minister, who was responsible for instance for this year's enumeration which ended March 31.

Guyana's last general elections, which proved as controversial as previous polls in 1968 and 1973, as well as a referendum in 1978 for sweeping constitutional amendments, took place on December 15, 1980.

The PNC secured 42 of the 53 parliamentary seats and the then PNC Leader Forbes Burnham emerged as the country's first executive president.

Presidential and parliamentary elections are constitutionally due in December and not later than March 31, 1986.

The church weekly, "Catholic Standard" recently speculated there would be a poll Wednesday, December 11; but other political observers here favour a December 9 or 16; since traditionally elections take place on a Monday.

INDIRECT

But whatever the date President Hoyte's pronouncements are seen here as an indirect acknowledgement that not only the PPP and the WPA, but his own PNC accept the need for electoral reforms.

Except for a highly restricted number of proxy votes normally allowed in Caribbean Community (Caricom) countries in keeping with an in-

herited Westminster Parliamentary practice of electoral democracy, the overseas and postal votes were introduced by the PNC.

In 1961, when Dr. Jagan's PPP won internal self government for then British Guiana with a consecutive third term victory, proxy votes totalled 300.

This rose to 6,635 by the 1964 elections, held for the first time under a controversial proportional representation system that led to a coalition government of the PNC and the smaller right wing United Force Party. Together they had secured 29 seats to the PPP's 24.

By 1968, however, when the ruling PNC gained effective control of the election machinery through a series of amendments to the electoral regulations that year and in 1967, the number of proxy votes has swollen to 19,287.

NO FIGURES

The same year the PNC introduced overseas voting, with ballots being forwarded to the government's overseas diplomatic missions and flown to Georgetown at least two days before official counting of the ballots for the election.

In that election the PNC was allocated 34,929 or 94.34 per cent of the overseas votes said to have been officially cast. In 1973 the PNC did even better, polling 98.34 per cent of the 29,641 overseas votes cast. No figures were given for 1980.

Proxy votes alone gave the PNC three seats in 1968 and the party's overseas votes were the equivalent of almost six more parliamentary seats.

Not unexpectedly government's opponents have charged that the ruling party's consecutive electoral victories since 1968 were helped by manipulation of the electoral laws and a whittling down of the role and functions of the Electoral Commission.

One year after achiev-

ing independence from Britain in 1966 the PNC administration under Burnham effectively removed responsibility for national registration from the commission.

The function was vested in the hands of a Commissioner of Registration, responsible to the Home Affairs Minister.

STRIPPED

Then in 1968 the electoral commission was stripped of all its important powers, which were transferred to the Minister, who under the new act became directly responsible for the conduct of elections.

Whereas under the 1964 election regulations in Colonial (British) Guiana, election officials were appointed by the Governor, but responsible to the commission, under the 1968 Act the Minister has powers to appoint all election officials. The Chief Elections Officer is responsible to him.

The Minister was also assigned responsibilities for delineating polling districts, appointing the date by which lists of candidates have to be entered and he has the right to enter polling stations while voting is in progress as well as to be present during the counting of votes.

Government ignored all protests against these amendments.

Underlining the difficulties created by the changes the PPP said in a recent statement that since the national registration exercise had been completed on March 31, 1985, the Election Commission has been virtually left out from the process of supervising the preparation of the lists of registrants and the preliminary voters list even though the constitution empowers the commission to exercise general direction and supervision over the registration of election....

ADEQUATE

Said a concerned PPP representative on the commission, Clement

Rohee: "I therefore, proposed that the commission immediately write the Minister of Home Affairs requesting funds for the employment of adequate staff for the purpose of checking names that will appear on the local and overseas voters list."

The main objective of this exercise would be to ensure that all names appearing on the lists are genuine.

Government opponents contend that the root of the difficulty in securing electoral democracy is the ruling party's doctrine of the PNC's paramountcy over national institutions, including the courts, and with the government itself functioning as the executive arm of the party unless, they argue, there is repudiation of this paramountcy doctrine in a society that officially has a multi-

party democracy, there may be little hope for significant electoral reforms or a liberalising of the social system.

But President Hoyte said recently, he was putting his reputation on the line and would guarantee there would be no cause for complaint about matters like the accuracy of voters lists in the coming poll. The PPP however is clearly not satisfied with the status quo.

Said Rohee in a PPP statement: "At one meeting of the (Elections) Commission I specifically asked whether visits were made by the commission to the office of the Chief Registration Officer (CRO) and other registration centres to ensure that (1) the CRO was discharging his functions fairly and efficiently; and (2) to ensure that the registration procedures were be-

ing conducted fairly and impartially.

"I also enquired whether the commission has been monitoring the registration of overseas voters in order to ensure that no irregularities take place on compiling the overseas voters spot or appear in the course of lists.

"I also asked the commission whether there was any collaboration between the National Registration Officer (NRO) and the commission with respect to the recruitment and selection of personnel working on the compilation of the list of registrants (for) 1985 and subsequently, the preliminary voters list.

Guyana's new President could have some difficulty disregarding the demands for a real role for the Elections Commission given his own position 18 years ago when he was a PNC member of the commission.

Alleged PPP Strike Plans

Port-of-Spain SUNDAY EXPRESS in English 17 Nov 85 p 5

[Text]

GEORGETOWN, Saturday (CANA) —The state-owned *Guyana Chronicle* has front-paged a story claiming that Leader of the Opposition, Dr Cheddi Jagan is calling for strikes and demonstrations during the period leading to general elections scheduled for December 9.

The paper said, "similar calls" had been made by other speakers of the People's Progressive Party (PPP) at public meetings around the country.

Jagan, who heads the PPP and is the party's presidential candidate for the elections, was reported to have issued the call in a traditional PPP stronghold of sugar workers at Enterprise, East Coast Demerara,

some 14 miles from Georgetown.

"He said he would organise strikes, marches, and picketing demonstrations during the election period," the *Chronicle* reported. It said he was supported by other speakers, including Dr Roger Luncheon and Michael Shrichand, who also called for mass demonstrations and strikes.

Dr Jagan, who has made it known he expects the poll will be rigged, is reported to have told his supporters at several meetings "to take strong action to bring about a political solution to the crisis in the country."

The *Chronicle* said that at a meeting at Vreed-en-Hoop PPP election candidate Clement Rohee told support-

ers the party would organise people to "beset the polling places to prevent the ballot boxes from being removed."

The Marxist PPP is demanding that ballots be counted at the polling places, a request which the ruling People's National Congress (PNC) contends is not logistically possible.

President Desmond Hoyte has said opposition candidates would be allowed to accompany ballot boxes to identified counting places.

At recent PPP meetings, Dr Jagan has been calling on the government to import ballot boxes from the governments of Trinidad and Tobago and India.

He felt that special ballot boxes used in these countries had anti-rigging mechanisms.

WPA Suit Against GBC

Port-of-Spain EXPRESS in English 20 Nov 85 p 58

[Text]

GEORGETOWN, Tuesday, (CANA) — The opposition Working People's Alliance (WPA), one of seven parties contesting next month's general elections in Guyana, has taken the State-run Guyana Broadcasting Corporation (GBC) to court for alleged refusal to sell it radio time for political broadcasts.

In a constitutional motion filed in the High Court, the Marxist WPA contends that the position adopted by the GBC constituted a "violation of the right to freedom of expression" by the party.

It also makes reference to the fact that the first election meeting of the ruling People's Na-

tional Congress (PNC) was broadcast live.

The motion was filed in the name of lead members Dr Rupert Roopnarine, Moses Bhagwan, Bonita Harris, Dr Clive Thomas, and Eusi Kwayana.

The WPA has been allotted two free political broadcasts on the GBC before the December 9 poll.

WPA frontline leader, Eusi Kwayana, said yes-

terday the allocation of two political broadcasts for the "broadbased" WPA was inadequate.

It was announced today that the Elections Commission had awarded the party another broadcast under its complicated formula which takes into account the seats the parties held in the last Parliament and the population density of the 10 electoral regions.

United Force Call to Voters

FL261740 Bridgetown CANA in English 1617 GMT 26 Nov 85

[Text] Georgetown, 26 Nov (CANA)--Guyanese voters have been urged to bury socialism in next month's general elections by rejecting the ruling People's National Congress (PNC), the main opposition People's Progressive Party (PPP) and the Working People's Alliance (WPA), all of which profess adherence to some brand of socialism.

The call was made by executive member of the small conservative United Force (UF) Party Michael Anthony Abraham, as he sought to impress on Guyanese in a radio broadcast why they should support the UF in the 9 December poll.

He said it was the socialism of the PNC that was responsible for the frustrations, privations and sufferings of the Guyanese people and the reason why Guyana, despite its abundance of natural resources, remained an impoverished nation.

He said socialism had also brought food shortages and declining social services, and was responsible for the mass exodus of Guyanese. They have run away from socialism and taken refuge in capitalism. Guyanese cannot help but yearn after the prosperity of such sister Caribbean countries as Barbados, Trinidad and Tobago, the Bahamas, the Virgin Islands and so on, said Abraham.

The UF held two seats in the last parliament that was dominated by the PNC.

Abraham appealed to Guyanese not to cast their ballots on the basis of race. He said the fact that they had voted this way in 1964 when the PNC came to power had opened the way for the advent of socialism.

Of Guyana's two main political parties, the PNC comprises mainly blacks, while the PPP membership is essentially of Asian descent.

What is largely responsible for socialism in this country? I answer simply-- race, Abraham said.

If Guyanese had not voted race in 1964, the United Force would have been the government today and Guyana would have been the wealthiest nation in the Caribbean and South America.

Abraham said Guyanese yearned for the return of American dollars--in short supply here--and Western capital of the type that built Barbados, Trinidad, the United States of America, Canada and Japan.

Under the PNC, key sectors of the economy, including bauxite and sugar, were nationalized. Many of these sectors are currently plagued with financial problems and suffer from declining production due to outdated production methods, poor management, lack of spares and other factors.

Abraham said the UF had the expertise to turn around the declining Guyana economy.

WPA, PNC Appeals

FL251755 Bridgetown CANA in English 1527 GMT 25 Nov 85

[Text] Georgetown, 25 Nov (CANA)--A leader of the leftist Working People's Alliance (WPA) has appealed to Guyanese not to vote in the 9 December general election along racial lines.

The WPA, which bridges the traditional divide in Guyanese politics between blacks and people of Asian origin, is contesting its first election.

Leader Rupert Roopnarine said in a weekend political broadcast that the poll should not take place on the grounds of race.

Roopnarine said that to the delight of many, and to the discomfort of a few, the WPA is contesting the general elections--its first in six years as a political party and its eleven years of existence. The party boycotted the last election in 1980, saying there were no guarantees of a free and fair poll.

Roopnarine recalled that in March this year, the WPA said Guyana needed to advance not to socialism but to a democratic republic, to allow for a long reconstruction system.

He criticized the use of music at public meetings of the ruling People's National Congress (PNC), and said that the media are doing everything to suggest that voters can do nothing to influence the situation in the country. Roopnarine called for a full turn-out of Guyanese voters.

In a broadcast last night on behalf of the PNC, Prime Minister Hamilton Green recalled what he described as the anguish and frustration, the waste and destruction which took place in Guyana before the PNC rescued the country from inter-racial conflict.

Prime Minister Green said other successes of the PNC, which has ruled since 1964 amid persistent charges of election rigging, were the diversification of agriculture, the development of local industries, the building of bridges and highways and great success in using local products instead of foreign ones.

He said the biggest success of all was the pride and confidence which he claimed the PNC had given to every Guyanese. The prime minister noted that this pride and confidence is a hallmark of the many talented young men and women who are actively involved in the many administrative, professional and technical fields.

The PNC has deliberately and systematically nurtured and developed our young people, not as leaders of tomorrow but leaders of today, the prime minister said.

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CSO: 3298/164

GUYANA DEFENSE FORCE HAILED BY MCLEAN, HOYTE

Chief-of-Staff's Report

Georgetown GUYANA CHRONICLE in English 19 Oct 85 pp 1, 3

[Text]

"THE LEVEL of professional performance" of the Guyana Defence Force over the last ten years has been greatly improved due to "an accelerated programme of training," Chief-of-Staff of the Joint Services, Major-General Norman McLean said yesterday.

"We have been trying to be not a spit and polish army but an army in the service of our people, especially those in the hinterland of the country," the Chief-of-Staff emphasised at a Press conference at the Guyana Film Centre on Homestretch Avenue yesterday morning.

The Press conference was held to discuss "Army Week" activities which will mark the 20th year of the People's Army. Army Week will be celebrated from October 27 to November 1.

During his opening remarks, Cde McLean, who was accompanied by Commander of the Army, Brigadier David Granger and Commander of the Administration Service's Group, Col. Fabian Liverpool, said that a "somewhat elaborate programme" has been planned to commemorate the observance of Army Week.

Reviewing the army's 20 years of existence, the Chief-of-Staff noted that during that period, the army has been involved in two skirmishes in defence of Guyana's territorial integrity. "Skirmishes which brought us great credit from the way we performed as an army."

Cde Mc Lean told journalists: "We have been playing our part as well in the development of our country—helping to build roads in our hinterlands, schools, houses and the like."

He noted that for the anniversary celebrations, neighbouring armies have been invited to attend. So far positive responses have been received from Venezuela and Brazil. Invitations have also been extended to the armies of Suriname and Trinidad and Tobago. Countries which have Military Attaches in Georgetown are also expected to be represented.

The Chief-of-Staff noted that the army is now discussing whether training for soldiers in skills for civilian employment should take place while they are still in the army or after the successful completion of their military service.

On the role of the GDF during elections, Cde

McLean said it would be "reckless" to confine soldiers to their barracks during a period of "heightened tension" and explained that it is the constitutional responsibility of the GDF to assist in maintaining internal law and order if forces seek to disturb the peace.

"We can't allow people to come and disrupt the smooth flow of elections. There is a forum...there is a

place for people to charge and challenge issues on elections," he told the journalists.

Dealing with the invitation of Venezuela to the GDF's celebrations, Cde McLean noted: "They are our immediate neighbours. And we have to live good with our neighbours. As I said we would have liked to invite many more people with whom we have close ties."

A major issue which has been recognised by the army is the problem of absconding soldiers, Cde McLean said. He added that the matter will be discussed at the Annual Officers' Conference, but announced that persons caught, have been jailed for periods ranging from four months to a year.

"No army can allow people to just walk off in a

time of peace, because if you do have a time of war when people are being killed, discipline would not be there."

He added that "we are in competition with the civilian market and our salaries are not attractive...our conditions are not attractive. Soldiers have to serve in the hinterland bases throughout the country and this means being away from their families for long periods of time."

During the Press conference, Cde McLean also explained that the army is self-sufficient in eggs and pork at its Garden of Eden base, East Bank, Demerara, and increased attention is being given to ground

provisions and rice at Belfield, East Coast, Demerara, and Onverwagt, West Coast Berbice.

Dealing with the disappearance of weapons, Cde McLean said that it is a very rare occurrence since adequate steps are being taken by the administration to ensure that weapons are carefully stored. There has been no major loss of weapons in the force since 1967, he added.

Cde McLean also said that the army has information on the origin of rockets which were found along Guyana's foreshore as well as in the possession of some members of the public earlier this year, but the matter has not yet been

resolved.

During the Press conference other issues which were dealt with included frauds in the army, the army's relationship with the Party in power and the army's response to the United States manoeuvres in the Caribbean.

The Chief-of-Staff stressed in his presentation that "we are very proud of our performance over the last 20 years. We feel that we have discharged the missions which have been given to us. That is the defence of the territorial integrity of Guyana, the maintenance of law and order in our country and certainly contributing to the development of our country."

Hoyte Remarks

Georgetown GUYANA CHRONICLE in English 30 Oct 85 p 1

[Text]

PRESIDENT Desmond Hoyte, Monday night noted the "excellent service" to the people of Guyana by the Guyana Defence Force when he spoke at the Army's 20th anniversary cocktail reception.

The President was introduced to the large gathering of invitees by Chief-of-Staff, Major General Norman McLean, who moved a toast "to the health and strength of our Commander-in-Chief."

President Hoyte replied with a toast "to the continued well-being of the GDF, its officers and men, and to the continuation of the excellent service it has given to the people of the Co-operative Republic of Guyana."

On his arrival at the Camp

Ayanganna Drill Square for the cocktail reception, President Hoyte was met by Prime Minister Hamilton Green. Chief-of-Staff Norman McLean, and GDF Commander David Granger.

Among the invitees were Government Ministers, heads of the Joint Services, Minority Leader Dr. Cheddi Jagan, and diplomats stationed in Guyana. Also present were three Brazilian Lieutenant Colonels drawn from the Army, Navy and Air Force, three Colonels from the Venezuelan Army, a Lieutenant and Sergeant-Major from the Suriname Army, Military Attaches from the Brazilian, Venezuelan and Cuban embassies, and a Commander and a Colonel from the British Army.

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CSO: 3298/164

SUPREME CONGRESS OF PEOPLE HEARS PRESIDENT HOYTE

Background Report

Georgetown SUNDAY CHRONICLE in English 27 Oct 85 p 4

[Text]

THE Supreme Congress of the People, carrying the largest membership among the supreme organs of democratic power, has had just three sessions since it was established under the new Guyana Constitution of 1980.

However, the Congress has dealt with numerous matters of public interest, including efforts to increase food production, diversify the economy, curb parallel market dealings, and deepen regionalism, as well as strategies to safeguard territorial integrity and national sovereignty.

The Supreme Congress has come up with recommendations for action on these and other matters, while analysing keynote addresses made at the opening of each of its three sessions, by the Founder-Leader, Cde. L.F.S. Burnham in each case.

The next sitting of the Supreme Congress is scheduled for Wednesday, from 17:00 hrs, and it will be addressed by President Desmond Hoyte, at whose request the sitting is being held.

Cde. Hoyte will be addressing the Supreme Congress for the first time as President. Constitutionally, the President is not a member of the

Congress, but may summon or prorogue the body at any time.

This coming sitting, like the others held to date, has considerable significance for national programmes and community and individual life. An address by the President to the Supreme Congress represents the placing of a set of issues of the highest national importance before the largest of the supreme organs of people's power.

The Congress is empowered to discuss such matters and make recommendations to the National Assembly and Cabinet, and particularly to advise the President on the matters referred to it in his address.

Under the constitution, the Supreme Congress of the People, the Parliament, the National Congress of Local Democratic Organs, the President, and the Cabinet, are the five supreme organs of democratic power in Guyana.

The Supreme Congress itself comprises the members of the National Assembly (who with the President form the Parliament), and the members of the National Congress of Local Democratic Organs grouping

representatives of the Regional Democratic Councils of each of the ten Administrative Regions). There are now 89 members, and two vacancies.

The mandate of the Congress empowers it to discuss any matter of public interest and to make recommendations to the National Assembly, and the Government and to advise the President.

Concluding his address to the opening sitting of the First Session of the Supreme Congress in December, 1982, the late President Forbes Burnham pointed out to members of the Congress that: "Yours is a tremendous and important task. Yours is the duty to make democracy work, to involve all true Guyanese at all levels in ensuring the recovery of our economy, turning back the enemies, without and within, at the gates and guaranteeing once and for all the true independence of Guyana as it marches forward to the goal of Socialism."

The Congress has in its subsequent sittings generated a wealth of ideas on matters brought before it.

Its deliberations have been befitting of such a high forum, merging the

national legislature and the representatives of the local democratic organs.

Wednesday's sitting, to be addressed by the President, is sure to be

another highpoint in the work of the Supreme Congress, with members addressing their minds to the matters to be put to the Congress by President Hoyte.

Hoyte Address

Georgetown GUYANA CHRONICLE in English 31 Oct 85 p 8

[Article by Colin King and Trevor Pearson]

[Text]

SHOUTS of "we can, we must, we will" greeted President Desmond Hoyte's announcement at the special sitting of the Supreme Congress of the People yesterday afternoon that Parliament will be dissolved today in preparation for national elections scheduled for December 9.

"We can; we must, we will" was the theme of the PNC's Biennial Congress last August.

The mammoth crowd at the National Cultural Centre, some of whom could not be accommodated in the tightly-packed auditorium, broke into spontaneous applause at the announcement.

President Hoyte, preceded by Police outriders and members of the Mounted Branch of the Guyana Police Force, dressed in ceremonial uniforms of white tunics and dark blue trousers with red side seams, arrived to resounding cheers from the crowd shortly after 17:00 hrs.

Cde. Hoyte who was dressed in a dark grey suit was met on arrival at the National Cultural Centre by Prime Minister Hamilton Green, Chief-of-Staff of the Joint Services Major General Norman Mc Lean and Commissioner of Police Balram Raghunir before being escorted to a saluting dais on the tarmac.

He then inspected a smartly turned-out 50-man Guard-of-Honour comprising members of the Guyana

Police Force, accompanied by Senior Superintendent Franchot Duncan-Clark and Commissioner Raghunir. Music was supplied by the Force's band under the baton of Superintendent Maurice Watson.

Earlier in the afternoon before the sitting of the Congress was suspended to await the arrival of the President, the gathering observed two minutes' silence as a mark of respect and in memory of the late President Forbes Burnham.

President Hoyte entered the auditorium to the roll of drums and cheers of the large gathering.

President Hoyte briefed the Congress on his recent overseas visits, saying reporting to the Congress after overseas visits should become a tradition for the Guyanese President.

The President also paid glowing tribute to the late Founder-Leader, Cde. Forbes Burnham, who, he noted, was instrumental in the promulgation of the new constitution of 1980, under which the Supreme Congress was established.

In The Bahamas, the President attended the Commonwealth summit, which focused on the need to accelerate the liberation process in Southern Africa. The Heads differed on the means of achieving this liberation, but agreed on a number of limited sanctions to be imposed against the racist regime and on a number of steps the regime should take to dismantle apartheid. Stronger

measures would be taken should the regime fail to make significant progress within six months, towards dismantling apartheid.

Noting Guyana's consistent position against apartheid, Cde. Hoyte emphasised to the Supreme Congress that "our support for the liberation struggle remains undiminished."

"We cannot relent until apartheid is totally eradicated," he said.

Cde. Hoyte also reported on bilateral discussions held in Nassau with a number of world leaders. He found these "most useful and refreshing" and "most valuable."

At the UN, Cde Hoyte reaffirmed Guyana's commitment to the organisation's principles and was brought up-to-date by the Secretary General on the status of efforts by the UN chief to arrive at a means of solution to the controversy arising out of Venezuela's claim that the Arbitral Award of 1899 was null and void.

The President told the Congress of his meetings in New York with Guyanese resident in the United States. One person travelled from as far away as Canada for the meeting, he said.

"A feeling of patriotism pervaded the atmosphere," at a luncheon hosted by Guyanese organisations shortly before his departure for home. Over 500 persons attended and many persons who wished to attend could not because of the limited accommodation.

In paying tribute to the late President Burnham, Cde. Hoyte said "the most convincing test of the correctness of the judgement of our late President and of the soundness of the arrangements and institutions which he was instrumental in establishing, lies in the efficiency and

smoothness with which those arrangements and institutions have continued to function after his passing."

Some expected Guyana to revert to the communal strife, social upheaval and divisiveness that was "the situation which our Founder-Leader inherited in 1964," he pointed out.

"However, and happily, through his wise policies, he succeeded in welding us into a nation: proud, confident, self-reliant. A nation that has enjoyed the benefit of uninterrupted internal peace for over two decades.

"It is my purpose to preserve this environment of peace in which all of our citizens can go about their lawful occasions unmolested, and under the protection of the law. This is one issue upon which there can and will be no compromise," the President said to resounding applause.

Cde. Hoyte stressed that the late President Burnham "set us a clear objective of creating a humane, productive, democratic and prosperous society," and stated "we must now advance his work and realise his vision."

"It will be for us collectively to devise the strategies and tactics that the era ahead of us would undoubtedly require."

"The next phase of our revolution must be primarily economic. It must be one that is devoted to the development of the individual within the context of social cohesiveness and national progress," Cde. Hoyte said.

Following his address which drew a standing ovation, President Hoyte wended his way down the stairs of the National Cultural Centre to the shouts of "we can, we must, we will."

PUBLIC SERVICE UNION PLEDGES SUPPORT FOR GOVERNMENT, HOYTE

Georgetown GUYANA CHRONICLE in English 16 Oct 85 p 8

[Text]

A DELEGATION of executive members of the Guyana Public Service Union met with President Desmond Hoyte on Friday at the Presidential Secretariat. The delegation was led by acting President of the union, Cde. Norman Northe.

The delegation extended congratulations to Cde Hoyte and wished him a long and successful tenure of office, as President of the Republic.

They took the opportunity to give renewed assurances of their support for the Government and informed Cde Hoyte that he could always count on the union's solidarity with him. They expressed their satisfaction with the vigorous way in which the President had already begun to deal with a number of major national issues.

In response, the President noted the history of harmonious relations between the GPSU and the Government and expressed

confidence that those relations would be maintained and strengthened in the future. He felt that with the special advantages it had, the union might aim at becoming the premier union in the country.

The President noted that the Government had recently approved a number of measures aimed at upgrading and improving the conditions of service of public servants generally. Some of the measures are:

- ☐ superannuation benefits for workers with over one year's service who were retrenched with effect from April 1, 1982;
- ☐ granting of pensionable status to non-pensionable employees: (this will

automatically bring to them vacation leave and vacation allowance benefits);

- ☐ increases in meal and subsistence allowances;
- ☐ legislation for appeals from decisions of the Public Service Commission;
- ☐ increases in travelling allowances and advances to purchase means of transport; and
- ☐ payment of superannuation benefits for the entire post-retirement service.

The President undertook to consider sympathetically, a number of issues raised by the delegation and requested the Minister of Manpower and Co-operatives, who was in attendance, to expedite the processing of certain matters affecting the union that had been referred to his Ministry.

The delegation thanked the President for the patient hearing he had given to their representatives and for the expressions of goodwill to them and their union.

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CSO: 3298/165

PNC GENERAL SECRETARY ADDRESSES UNION MEETING

CHRONICLE Report

Georgetown GUYANA CHRONICLE in English 24 Oct 85 p 3

[Text]

VICE-PRESIDENT,
National Development, and
General Secretary of the
PNC, Cde. Ranji Chandisingh, has urged trade unions in Guyana, not to lose touch with their membership, and to increase the levels of workers' consciousness to ensure a better appreciation and understanding of the national economic objectives.

He gave the advice to participants at the Fifth Annual Delegates' Conference of the Union of Agricultural and Allied Workers' at Mon Repos last Friday.

In his opening address to delegates, observers and invitees, including workers drawn from the Sanata Textiles Limited, Cde Chandisingh said that the local trade union movement must adopt new approaches and patterns of change to enhance beneficial results accrued from the society.

He said that increases in monetary income must correspondingly match increases in the levels of production and productivity.

He also made reference to the inequities of the global economic environment, and their effects on Third World countries like Guyana.

The Vice-President

alluded to the two per cent growth of the national economy in 1984, and observed that this was due mainly to higher levels of output on the part of workers.

The relationship between the Government and the TUC is generally good, and efforts are now being made to bring further economic relief to the nation's workforce through increases in wages and salaries, the General Secretary of the PNC added.

A notable feature of the conference, was the conferring of the J.P. Latchmarsingh's Medal-of-Honour (Gold Medal) on retired sugar estate worker, Edward Sandy, better known as "Pirate", a name given to him because of his controversial position on issues related to politics and trade unionism in the last two decades of this country's history.

This award is an annual feature of UAAW, which seeks to give recognition to persons who have performed creditably in the fields of trade unionism, politics and other areas of national life.

The theme of the two-day conference, was "Towards greater agricultural and industrial Development."

PNC Organ's Report

Georgetown NEW NATION in English 27 Oct 85 p 8

[Text]

General Secretary of the People's National Congress, Cde Ranji Chandisingh has told the Union of Agricultural and Allied Workers that there is need for new approaches and new roles for the trade union movement in Guyana.

Delivering the main address to the recent Fifth Biennial Conference of the union, the Comrade General Secretary said there was a time when local trade unions placed "greater if not exclusive emphasis" on how much they could get out of the employer for the employees they represent.

Undoubtedly such trade union approaches were appropriate because the working people had no say in the running of the country and as Comrade General Secretary noted, "were not involved in the collective ownership of our natural resources."

The conference had as its theme 'Towards Greater Agricultural and Industrial Development', reflecting the changing role of trade unions, and commenting on the theme Comrade General Secretary said, "This theme (embraces) your recognition of the fundamental requirement for the all-round improvement of the lives of the working people organised by your union and whose interest you

represent."

"That you should highlight such a theme demonstrates your perception of what is needed to meet the requirements not only of the specific workers you represent but what is necessary if all workers...all our people...are to benefit," he added.

Cde Chandisingh called on the union to recognise that changes in the consciousness of people very often lag behind objective changes in structures. The People's National Congress and Government have been speaking of the need for "new approaches and new roles for the trade union movement for some time now," he added.

With this knowledge of people, trade unions need to pay constant attention, at all levels, to developing the consciousness and to creating the means to effect in practice "the beneficial results that are expected to flow from the objective changes in society," Comrade General Secretary continued.

He noted that the union "embraces a wide spectrum of workers in various enterprises" all of whom have important roles to play in the spheres of agricultural and industrial development.

"I am pleased to note that your union appreciates that it is only as

a result of real increases in production and with higher levels of productivity that higher incomes and benefits can be provided," Comrade General Secretary said in reference to those who call for increased wages and salaries without recognising the need for corresponding increases in production and productivity.

He said increases in wages should be real increases rather than increases resulting from the spiral of inflation. "This solves no problem. It rather aggravates the problem if allowed to go unchecked," he added.

Comrade General Secretary spoke of the debt problem which is fuelled by the high cost of imports and the low price for exports. But even in the light of this "inequity of the old and still existing world economic order" the People's National Congress and the Government "have not folded their hands to wait for better times...which for us will not happen if we do not act," he said.

Founder-Leader, Cde Forbes Burnham set the nation on the correct road to independent, self-reliant development. The results of those principles and policies are beginning to bear fruit, he added.

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CSO: 3298/165

MINISTER MEETS JAGAN FOR DISCUSSION ON SUGAR WORKERS

Georgetown GUYANA CHRONICLE in English 24 Oct 85 p 5

[Photo caption headed "Minister Denny, Dr. Jagan Discuss Sugar Workers"; photo not reproduced]

[Text] Minister of Manpower and Co-operatives, Kenneth Denny met Dr. Cheddi Jagan [above] in his capacity as honorary President of the Guyana Agricultural and General Workers' Union [GAWU] Monday and discussed a three-point agenda on matters pertaining to workers in the sugar industry.

According to Minister Denny, the discussions at his Homestretch Avenue office related to, among other matters, the Annual Production Incentives (API) for 1984, pensions for sugar workers, and old age pensions.

In relation to the API, the Minister said that Dr Jagan was contending that Guysuco had acted wrongly in arriving at the application for the formula.

But the Minister made it clear that as far as the Government and Guysuco were concerned the matter was closed.

On the question of pensions, the Minister pointed out to Dr. Jagan that on the occasion of World Food Day, Prime Minister Hamilton Green had announced that Government had agreed to the increase of ex-gratia pensions for sugar workers.

/9274

CSO: 3298/165

PRIVATE SECTOR HAS VITAL, INTEGRAL ROLE IN ECONOMY

Georgetown GUYANA CHRONICLE in English 28 Oct 85 p 4

[Article by George Baird in the "George Baird on Monday" column]

[Text]

THE Private Sector, like the Co-operative Movement, is an integral part of Guyana's economic framework, and as such, has an important role to play in helping to strengthen and foster national development.

This policy statement is not new. It has been reiterated time and again, since the birth of the Co-operative Republic of Guyana.

The Government, as the third partner in the tri-sectoral economy, should therefore expect moral and material support from both the private and co-operative sectors.

We know the co-operative sector is under scrutiny and we await the policy statement defining its continuing role.

In the meantime, however, it would be appropriate for financial support to enhance development to come also from the Private Sector.

Some Private Sector entities understand and appreciate this and act accordingly. But there are others which are prepared to make a contribution only if some immediate return is in the offing.

This attitude to development must be frowned upon. For without the meaningful support of the other two sectors, development undertaken by government could only come slower.

In these times of aid with strings attached, the international market for development assistance could be difficult for nations like Guyana, nations which cherish their independence dearly.

It is because of this high value on independence and sovereignty that the policy of self-reliance has informed Guyana's development thrust.

Recent happenings such as the over-subscription to the shares offer by the,

National Bank of Industry and Commerce, demonstrate clearly that there is an abundance of financial resources in the Private Sector.

It is obvious too that some of these resources could greatly enhance national development.

One area in which some of these resources could have a positive impact on the quality of national life is in the area of pure water supply.

The Government has spent and is continuing to spend millions on water supply but it is evident that if Government agencies alone were to foot the bill, the ideal situation could take much longer to be realised.

The Guyana Water Authority has the mammoth task of satisfying the needs of the rest of the country, while the Georgetown Sewerage and Water Commissioners are hard put to supply Greater Georgetown with its required 25 million gallons a day.

And defaulting ratepayers have shown that their contribution is not forthcoming as expected.

There have been reports of private individuals helping in the area of water supply in rural communities but these instances are only significant at the micro level.

And while the Georgetown Chamber of Commerce and Industry has indicated its willingness to assist, the capital city of Georgetown is still under-supplied with water.

It is against this background that other Private Sector entities would do well to emulate the example of the New Building Society which is to spend a total of \$570 000 to help improve pure water supply in Greater Georgetown.

According to an NBS spokesman, the money is a gift to the Mayor and City Council which is engaged in a continuing scheme to satisfy the current demand for 25 million gallons of water daily.

NBS had decided last year to make the donation when water pressure was probably at its lowest and the means to dig new wells and rehabilitate old ones were not readily available.

No doubt thinking that many of the homes on which it spent money could be affected by an inadequate water supply, NBS made the offer, and increased the amount when escalating costs appeared to be standing in the way of the new well being completed.

Insurance companies should be just as concerned as NBS and should make a contribution to the water project. A reliable water supply will improve the quality of life for thousands of Guyanese.

REPORT CITES 9-MONTH INCREASE IN PRODUCTION OF GOLD

Georgetown GUYANA CHRONICLE in English 29 Oct 85 pp 1, 4-5

[Text]

GOLD production for the first nine months of the year is ahead of production for the same period last year by 462 ounces while diamond production is 3 215 (old English) carats higher than the nine-month period last year.

Declared gold production in the third quarter of the year, however, was slightly lower than in the third quarter last year, but diamond production showed considerable increase.

A Geology and Mines Commission statement shows that the country's miners in September declared 660 ounces of gold, making the third quarter's total declaration of 2 032 ounces, or 75 ounces less than the 2 137 ounces for the 1984 third quarter.

The declared production for January to September was 7 011 ounces, compared to 6 549 ounces in the nine-month period last year.

Declared production of

diamonds was 926 (old English) carats in September, taking total declared production to 8 539 carats, or 3 215 carats more than the 5 324 carats declared in the similar nine-month period last year.

Gold industry officials have projected that purchases of gold from miners should exceed the more than 11 000 ounces purchased by the Guyana Gold Board last year.

Government has in fact been encouraging the production of gold through a variety of incentives, the latest being the establishment of foreign exchange accounts, to the credit of miners who sell gold to the Gold Board. The accounts are used to finance business expenses of the miners.

September's declared gold production was slightly higher than the average in recent months. Production for the four consecutive months up to September was 537 ounces in June,

746 ounces in July, 654 ounces in August, and the 660 ounces in September.

A Geology and Mines Commission statement shows that for September, over \$64 000 in royalty was paid on the 660 ounces of gold, valued approximately \$760 000.

Total royalty for the January to September period for gold production amounted to some \$667 000 for the 7 011 ounces, valued approximately \$8,4 million. Gold royalty for the nine-month period last year was some \$7,4 million.

The statement shows that royalty on diamond production in September totalled some \$9 500 on diamond valued approximately \$138 000. The total diamond royalty for the nine-month period was \$85 900, on diamond valued approximately \$1,2 million.

Diamond royalty for the nine months last year was some \$53 000 on diamonds valued approximately \$798 000.

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CSO: 3298/166

PNC, GOVERNMENT COMMITTED TO DEVELOPMENT OF AGRICULTURE

Georgetown NEW NATION in English 20 Oct 85 p 1

[Article by Adam Harris]

[Text]

The People's National Congress and the Guyana Government headed by that Party remain firmly committed to exploiting and exploring the agricultural, marine and forestry resources of Guyana. Member of the Central Executive Committee of the PNC, and Prime Minister, Cde Hamilton Green told the nation Wednesday.

Delivering the feature address at Guyana's observances of World Food Day, Cde Green, currently performing the duties of President, said that the Party and Government have not flinched or diverted from exploiting the national agricultural resources.

It is Government's avowed policy to pursue that objective with greater zeal...this we will do no matter how difficult (the task)," he assured the mammoth gathering at the Albion Sports Complex.

Noting that Wednesday's event was the fourth year of World Food Day observances in Guyana, Cde Green attributed the national emphasis on food production to late Founder-Leader Cde Forbes Burnham who, he said, "articulated the concept, established the framework, and gave

direction and meaning to our agricultural thrust."

But, as Cde Green noted, while developing nations were struggling to feed themselves and "their other brothers" the developed nations were expending vast sums on arms. "We have 250 tons of explosives for each person on earth," he added.

In spite of this arsenal additional sums of money are being contemplated for the production of more arms giving rise to grave concerns. "Third World agriculture can benefit from the import of tractors, tools and from drainage. If we got a few days' arms expenditure we could completely feed ourselves," Cde Green said.

Problems in the developing world are compounded by the low prices they receive for their exports and the corresponding high prices they must pay for their imports.

And as Cde Green said, the high interest rates do nothing to help Third World development. "It has been estimated that for every one per cent appreciation in interest rates, Third World countries have to repay between \$3.5 billion(US) and \$4 billion(US)," he said.

Comrade Prime Minister pointed to the paradoxical situation of there being enough food in the world to ensure that each inhabitant of the planet receives the "230 kilograms of cereal" needed for his daily intake of calories yet 40 million die each year from hunger and malnutrition.

It is in this light that the imperatives of World Food Day have become more urgent to the extent that there must be concerted action at the global level "to rescue the great chunk of humanity from painful and untimely death," he said.

Comrade Prime Minister traced developments in the regional agricultural programme and Guyana's contribution to a viable regional agricultural programme.

He told of the Guyana-Cuba agricultural programme which includes the rearing of dairy cattle; the Guyana-Nicaragua programme which also involves cotton production; and the Guyana-Brazil programme which will promote the production of soyabean, rice, cattle and other needed products.

He took the opportunity to repeat Government's support for regional self-sufficiency in food, and he repeated the call for greater co-operation among Caricom and Latin

American states.

In spite of the strides made by Guyana in the field of agriculture there continues to be some problems. Cde Green noted that these problems are based on the predominance of the agrarian sector and incomplete physical infrastructure.

"We need to correct some of these since the sector's main task, now, is to provide the basic foods necessary for consumption, and to have these serve as a source of foreign exchange earnings," he said.

Comrade Prime Minister focusing on Guyana's primary areas of agricultural production—rice and sugar—said that in the rice industry where there are some difficulties, 50 per cent of all hard currency earned by the industry will be re-invested in it.

Government intends to increase rice cultivation by over 80,000 acres and remunerative prices will be paid for padi and rice through annual price reviews, he added.

In the sugar industry positive steps are being taken to reduce the dependency of the industry on the export of raw sugar "with its terrible consequences for us", Comrade Prime Minister said.

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CSO: 3298/166

ELECTRICAL OUTAGES BLAMED ON TRINIDAD OIL CREDIT CUT

Problems in Capital, Elsewhere

Georgetown GUYANA CHRONICLE in English 23 Oct 85 p 1

[Text]

FREQUENT unscheduled load-shedding in Georgetown and other areas recently has been introduced in order to deal with the reduced generating capability now being experienced along the Demerara Interconnected System, the Guyana Electricity Corporation said yesterday.

A GEC release said that over the past four days maintenance work was being done to the turbo alternator at the Kingston Power Station, thus causing a significant generation loss.

"And to compound this situation, the Garden of Eden Power Station is offering no assistance because of a total shutdown of operations resulting from electrical problems", the release added.

It said that work on all three systems was moving apace and it is anticipated that the situation would return to normal by Monday, November 18.

GEC disclosed too, that there has been a complete shutdown of operations at Canefield Power Station, East Berbice since 21:00 hrs. Monday night. This has

caused a total loss of generation of electricity there.

The one operable generating set developed electrical problems Monday night and since then technicians have been trying to effect repairs.

The GEC release said it is expected that by this evening consumers of electricity in Berbice would be able to enjoy their regular supply.

The corporation has apologised for all the inconvenience to its consumers.

PPP Charges

Port-of-Spain EXPRESS in English 1 Nov 85 p 61

[Text]

GEORGETOWN, Thursday, (CANA) — The Marxist-Leninist opposition People's Progressive Party (PPP) has linked frequent electricity outages here to Trinidad and Tobago's suspension of Guyana's oil credit facility.

The Guyana Electricity Corporation had warned consumers to expect the load-shedding, which it said was due to reduced generating capability along the Demerara-inter-connection system.

The *Mirror* newspaper, which reflects PPP views, said there were other weighty reasons.

"... those in-the-know have been predicting the massive load-shedding for several weeks, certain that

the real problem lies with the shortage of fuel caused by the non-payment of colossal debts owed to the Government of Trinidad, the main supplier of fuel," it added.

The *Mirror* said the Trinidad and Tobago Government had been under heavy pressure from legislators and aroused public opinion over the growing debt problem with Guyana.

Port-of-Spain announced an end to its oil credit facility to Georgetown last month in view of Guyana's huge arrears on a \$217 million (U.S.) debt to the twin-island state.

Trinidad and Tobago is Guyana's main source of petroleum.

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CSO: 3298/166

JAPANESE GRANT USED TO BUY NEW FISHING TRAWLERS

Georgetown GUYANA CHRONICLE in English 17 Oct 85 p 8

[Article by Colin King]

[Text]

GUYANA Fisheries Limited (GFL) is to purchase four fishing trawlers under a \$2.1 million [US] Japanese Government grant for the fourth phase of the Demerara Fish Port Complex.

Full details of the purchase have not yet been worked out but the trawlers are expected to be delivered next year, a GFL official said.

According to a release from the Department of International Economic Co-operation (DIEC), documents for the grant, which also includes the purchase of a quantity of trawling equipment, were signed by Guyanese and Japanese officials earlier this month.

The Japanese Government, which has a long association with the fisheries sector in Guyana, has, since 1975, contributed about \$14 million(US) in grant assistance for the development of the

Demerara Fish Port Complex.

Among the works done under the programme so far are wharf extensions at Houston and McDoom, East Bank Demerara, construction of administration

and other buildings and machine shops, as well as the supply of stand-by generators.

In March this year, a grant of \$2.3 million(US) was extended by the Government of Japan for the purchase of refrigerated trucks, a shrimp grader, a freezing facility, an ice-making plant, and a forklift among other equipment.

A GFL official explained that the first shipment of equipment under the grant for the Fourth Phase arrived in the country this week, and installation work is expected to be completed by March, next year at the GFL's Mc Doom plant.

The four trawlers expected next year will be devoted to fishing, instead of both shrimping and fishing, and are therefore likely to have a high level of efficiency in their operations.

Usually the smooth operation of trawlers engaged in simultaneous shrimping and fishing is disrupted because of the different freezing requirements of fish and shrimp. (GNA)

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CSO: 3298/166

ECONOMIC, TECHNICAL ACCORD SIGNED WITH ZIMBABWE

Georgetown GUYANA CHRONICLE in English 25 Oct 85 p 1

[Text]

NASSAU, The Bahamas, [GNA] — Guyana and Zimbabwe have signed an agreement on economic and technical co-operation and have agreed to establish a Joint Commission to ensure the implementation of the agreement and to review and evaluate projects that might be undertaken.

The agreement was signed Tuesday night at the Cable Beach Hotel in The Bahamas between Foreign Minister Rashleigh Jackson and his Zimbabwe counterpart, Dr. Witness M. Mangwende, shortly before the Guyana and Zimbabwe delegations to the Commonwealth Heads-of-

Government meeting left The Bahamas.

[See picture on centre pages].

The details of the agreement which specifies six areas of co-operation, were hammered out in Georgetown during the three-day official visit to Guyana by Zimbabwe Prime Minister Robert Mugabe immediately before The Nassau Summit.

The agreement, which will be for five years but which may be reviewed automatically, may be implemented by the "public authorities" of the two countries or through the intermediary of public corporations or private companies or organisations designated by the governments.

The two governments have agreed to:

- encourage co-operation and joint action between enterprises in the two countries and the conclusion of long-term agreements or arrangements;

- Exchange information about their respective industrial development to determine areas in which industrial co-operation can be organised to their mutual benefit;

- provide technical and scientific co-operation, including joint research into agricultural, industrial or other problems relevant to Guyana and Zimbabwe;

- pool technical resources

and exchange experts with the aim of providing assistance to each other on specific projects of mutual interest;

- improve the availability of technical expertise by the granting of scholarships and training to Guyanese and Zimbabwe nationals; and to
- provide the services of consultancy firms in such areas as may be agreed upon.

COMMITTEE FORMED TO AID PUBLIC POLICE UNITS IN REGION 10

Georgetown GUYANA CHRONICLE in English 21 Oct 85 p 3

[Text]

LINDEN: [GIS] — A central committee has been established to co-ordinate and monitor the activities of Crime Prevention Groups in Region Ten.

The newly formed committee is representing 17 Crime Prevention Groups in the region. Fifteen of these groups serve in the mining town of Linden.

Chairman of the central Committee, Cde James Blackman said in an interview that the committee will provide the forum for the formulation of a joint approach in tackling problems faced by the several groups.

Already the committee has planned to meet with top officials of the Guymine Constabulary to arrange for armed patrols to work along with Crime Prevention Groups in the Linden area, he said.

The group also plans to hold discussions with the relevant authorities on problems such as transportation and telephone facilities which are affecting the smooth functioning of the groups, Cde Blackman said.

He also disclosed that a Welfare Committee will be set up to solicit funds to assist persons injured while performing crime prevention duties in the area.

He also said that the Central Crime Prevention Committee will later expand its activities to include self-help and charitable projects.

The committee has already met with the Police "E" Division Commander, Cde Cecil Kilkenny and plans are being worked out for a boat to facilitate Crime Prevention Groups in the area of river policing, a Police official in the region said.

Cde Kilkenny noted that since Crime Prevention Groups in Linden have been reorganised there has been a notable decrease in the crime rate in Linden.

Guymine employee, Cde Stephen Grant is deputy chairman and charcoal businessman Herbert Bacchus is secretary.

Other members of the committee are Ivor Johnson, Kenneth Payne, Ivor Frazer, Michael Walker, Percy Hinds, Albert De Souza, and Sgt Purcell Moore.

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CSO: 3298/167

BRIEFS

YOUTH COMMITTEE--A National broad-based committee will be launched today to discuss youth problems in Guyana, a release from the Young Socialist Movement (YSM) said Saturday. According to the release, the launching ceremony of the YSM-sponsored activity is expected to take place at Public Buildings at 14:00 hrs. YSM National Chairman James Bovell-Drakes will set the tone for discussions by the committee members at today's inaugural meeting. The idea for the formation of the committee was mooted when the National Youth Festival was held at the Sophia Convention Centre in June this year, the release added. Presentations by the Commission on Youth, which discussed among other areas the problems of youths in the society, were incomplete and a suggestion was made to appoint a committee to deal further with the issue. Representatives of the Ministries of Education and Health, Youth and Sport Department, Progressive Youth Organisation, Women's Revolutionary Socialist Movement, the Guyana National Association of Youths and Students, the Guyana Police Force and the University of Guyana Students' Association have been invited to attend the meeting. [Text] [Georgetown GUYANA CHRONICLE in English 28 Oct 85 p 1] /9274

ARMS AMNESTY EXTENSION--The Commissioner of Police has issued another call to citizens who are in possession of firearms, ammunition and explosives, without the necessary permission, to hand in such firearms, ammunition and explosives to the nearest Police Station, as there are only two days remaining before the period of amnesty comes to an end. The Commissioner expressed thanks to all those citizens who have responded to the amnesty call and have handed in large amounts of firearms and ammunition. He also warned citizens of the severe penalties which are likely to be meted out to anyone who is found in unlawful possession of firearms, ammunition and explosives after the period of amnesty has expired on October 31, 1985. [Text] [Georgetown GUYANA CHRONICLE in English 30 Oct 85 p 1] /9274

COURSES IN RUSSIAN--Trade Chancellor at the Soviet Embassy in Guyana, Cde. V. Klotchkov, declared open a Soviet book exhibition of more than three hundred titles at the University of Guyana's Faculty of Technology at Turkeyen on Wednesday. Cde. Klotchkov also took the opportunity to introduce Professor S. Kisileva who will be teaching Russian at the University of Guyana. She said the present process of strengthening the relationship between Guyana and the USSR gives rise to the need to study the Russian language. She added

that the study of Russian is also important because 20 per cent of the world's scientific documentation is done in Russian. [Excerpt] [Georgetown GUYANA CHRONICLE in English 25 Oct 85 p 1] /9274

SUGAR STRIKES--Sugar production faltered last week with the industry's 10 units producing a total of 7,630 tons sugar or 78.3 per cent of the estimated target for the week. This brings the crop's total to 186,496 tons. Strikes in the Berbice region as well as the non-availability of cane harvesters on some estates, restricted production during the week, but two estates gained places on the Guysuco Production Honours Roll. Rose Hall continued its lead on the Honours Roll with production this week of 6.4 per cent above estimate. Leonora produced its highest total for the week, during the current crop, and gained its second placement on the Honours Roll. Albion, Blairmont and Wales each earned creditable performance ratings with production in excess of 80 per cent of individual targets for the week. The continuing poor turnout of cane harvesters, particularly in the Demerara region, is still considered a serious problem and efforts are being made to recruit harvesters from other areas. [Text] [Georgetown SUNDAY CHRONICLE in English 20 Oct 85 p 5] /9274

GREEN INSPECTION VISITS--Member of the Central Executive Committee of the People's National Congress and Prime Minister, Cde Hamilton Green, quite regularly pays surprise visits to the various government agencies to monitor the performance of the employees there. On Wednesday, accompanied by Minister of Health, Cde Richard Van West-Charles, Cde Green paid one such surprise visit to the Department of Geology and Mines. As he explained, the aim of those visits is to help workers in the public sector recognise the need for a new attitude. At this crucial time of the nation's development public sector employees need to improve their levels of performance, he said. Wednesday's visit to the Department of Geology and Mines brought Cde Green face-to-face with an unkempt compound and prompted a joint staff meeting with employees of the Ministry of Health and the Geology and Mines Commission later that day. Opportunity was provided for the staff members to state their problems and for the employees, together with Government to work out strategies to aid national development. [Text] [Georgetown NEW NATION in English 27 Oct 85 p 3] /9274

TAX ACCORD WITH CANADA--Georgetown, 17 Oct (CANA)--Guyana and Canada have signed a convention to avoid double taxation of nationals and companies in each other's country. The measure also seeks to prevent fiscal evasion, and to encourage trade and investment between the two countries. Among the taxes included in the convention are income taxes imposed by the two governments, as well as corporation tax here. Of special benefit to Guyana is a provision allowing Canada to grant relief from tax on profits and dividends which are exempt under Guyana's fiscal incentive laws. Signing the agreement yesterday were Canadian High Commissioner here John McLachlan, and the head of Guyana's international economic cooperation department, Donald Abrams. [Text] [Bridge-town CANA in English 1349 GMT 17 Oct 85 FL] /9274

CSO: 3298/168

COMMENTS ON ELECTORAL PROCESSES BY PRI, SNTE FIGURES

Mexico City EXCELSIOR in Spanish 15 Oct 85 pp 4-A, 22-A, 23-A

[From "Political Fronts" Column, by Guillermo C. Zetina]

[Text] The governor of Baja California Sur, Alberto Alvarado Aramburu, has said: "PRI is not about to make political concessions to anyone, much less to the opposition."

Meanwhile, the PRI leader in Chiapas, Arturo Morales Urioste, asserted in Tapachula: "PRI will not readily surrender power; since what matters are results and since elections are won with votes, the means do not matter."

Governor Alvarado was in La Paz yesterday to attend the ceremony at which Alejandro Lambreton Narro took over as PRI general delegate from Hector Ixtlahuad Gaspar. He spoke on behalf of the PRI National Executive Committee, our correspondent Maximino Rodriguez reports.

PRI held an assessment meeting in Tapachula with an eye towards the upcoming 109 mayoral elections in the state. The National Action Party has indicated that "PRI is running unpopular, corrupt, arbitrarily chosen candidates with criminal records."

Morales Urioste stated: "Power will not be surrendered readily or free of charge...PRI candidates must make use of the mass media to regain some of their lost credibility." He said this in response to CTM [Confederation of Mexican Workers] leader Roberto de los Santos, who in assessing PRI's candidates remarked that they are doing the opposite of what they ought to be doing to win. Correspondent Alfredo Cordova Solorzano filed the report.

PRI Nominations in San Luis Potosi Rigged

In view of the lack of information from PRI about the candidates for the 56 mayoral posts in San Luis Potosi, Evaristo Gomez Hernandez, the secretary general of Section 26 of the SNTE [National Trade Union of Education Workers], indicated that "the process of consulting with the rank-and-file is being rigged," writes correspondent Margarita Basanez.

Gomez added that there are some very vague points in the call that PRI has issued and that the teachers would be approving preselected candidates. He commented that "there are at least three paragraphs that leave the door open for fraud next Sunday."

He indicated that they would file an official demand not to be found guilty of disloyalty or indiscipline, even though he personally felt that the call "was issued so that Guillermo Medina de los Santos would be the only man who could meet the requirements for candidacy."

He said that it was thus very likely that Professor Helias Barragan Lopez, whom the Federation of Government Worker Trade Unions and the teachers are supporting, would be rejected.

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CSO: 3248/69

'FINAL STAGE' REACHED IN PROCEEDINGS AGAINST DIAZ SERRANO

Mexico City EXCELSIOR in Spanish 21 Aug 85 pp 1-A, 16-A, 35-A

[Article by Ignacio Herrera]

[Excerpt] The Secretariat of the Comptrollership General of the Federation and the PGR [Office of the Attorney General of the Republic] provided 137 documents, experts and witnesses as evidence to convincingly prove the alleged responsibility of Jorge Diaz Serrano, former senator and former general director of PEMEX [Mexican Petroleum], in a \$34 million fraud. (In June 1983, this equaled 5 billion pesos.) The purchase price for two gasoline tankers was altered to the detriment of the parastate enterprise.

The legal director of the Secretariat of the Comptrollership General of the Federation, Jose Trinidad Lanz Cardenas, and the director of trial supervision of the PGR, Marco Antonio Diaz de Leon, reported this yesterday. They stated that the trial of the head of PEMEX under the past administration "has been carried out strictly according to law. It is not true that the application of justice has been slow as engineer Diaz Serrano's defenders have tried to make the public believe."

The trial for fraud in the improper purchase of the two tankers--in which two other people are involved--reached its final stage in the ninth district criminal court when the preliminary investigation was declared over on 12 August.

After the presentation of the evidence, the Federal Public Ministry and Diaz Serrano's defense will present their conclusions. Then the district judge hearing the case will be in the position to issue a verdict.

This trial (Diaz Serrano is also being tried in the second district court for another fraud against PEMEX) has attracted public attention throughout the country. It began when the two offices requested that criminal action be taken against the then national senator for Sonora State. They asked the Chamber of Deputies to suspend the legislator, in accord with the Constitution, and asked the district court to issue an arrest warrant for engineer Jorge Diaz Serrano, Enrique Amado Cardenas, Herman Sauer and Jacques Van Damme.

The director of trial supervision of the PGR, Marco Antonio Diaz de Leon, reported that the fraud against PEMEX was perpetrated after the Boelwerf Societe Anonime shipyards offered the enterprise the two tankers. The terms were financing over 15 years at an annual rate of 11.5 percent of the sale price but this offer which included advantageous conditions was rejected. The price of the ships was \$60 million each. PEMEX paid \$79 million in cash for each gasoline tanker.

The official added that the purchase was made on 30 April 1980 after Diaz Serrano, as general director of PEMEX, asked then secretary of patrimony and industrial development to approve the purchase of two petrochemical tankers and three gasoline tankers for a total of \$184 million through a financial lease system. This was not done and the document was falsified as to the cost, number of ships and form of payment which was strictly cash.

The investigations by the Secretariat of the Comptrollership General of the Federation and the PGR determined through documents that PEMEX was defrauded of 5,997,000,000 pesos through the illegal purchase of the two gasoline tankers. They were purchased through an intermediary enterprise called Navigas. It bought both ships from the Belgian shipbuilding enterprise and then sold them to the Mexican parastate enterprise. The documents for this operation were signed by engineer Jorge Diaz Serrano which proves his full knowledge of the fraudulent purchase.

7717

CSO: 3248/22

BRIEFS

OIL, BEAN PRICE INCREASES AUTHORIZED--Amid the crisis triggered by the earthquakes, the Secretariat of Commerce and Industrial Development has authorized increases in the prices of basic foodstuffs. Last week the price of a liter of cooking oil rose 22 percent (from 280 to 342 pesos); the price of a kilogram of beans climbed 17 percent (from 124 to 145 pesos), and in the provinces, bottled soft drink prices jumped 29 percent. The prices of cooking oil and beans had increased 11.4 and 15 percent, respectively, in early August. The same reasons as always were cited for the increases: a rise in the cost of production inputs; the resulting increase in support prices to encourage production; the drop in the value of the peso; the rate of inflation...The secretariat explained that the increase in the price of cooking oil had been decided on on 17 September, when the Agriculture Secretariat authorized a boost in the support price for safflower from 56,000 to 88,000 pesos a ton. The Secretariat of Commerce and Industrial Development did not inform the public, however. It was not until last week that consumers learned that the 342-peso price tag on cooking oil had been authorized. The increase in bean prices was authorized on 2 October. One of the justifications was the 195 percent jump in the support price from 55,000 pesos a ton in 1984 to 155,000 pesos this year. [Homero Campa] [Excerpt] [Mexico City PROCESO in Spanish No 467 14 Oct 85 p 35] 8743

CSO: 3248/69

BANK REPORTS ONLY MODEST GROWTH IN ECONOMY FOR 1985

FL121830 Bridgetown CANA in English 2221 GMT 11 Nov 85

[Text] Plymouth, 11 Nov (CANA)--The economy of Montserrat grew by two percent last year, a one percent rise over 1983, according to the Eastern Caribbean Central Bank (ECCB).

In its annual report, the bank said that while this was a modest recovery over 1983, economic activity was not sufficiently buoyant to reduce the unemployment rate below the seven percent level of 1983. A further consequence of the low level of economic activity was the 16 percent reduction in total imports.

While this could be regarded as a positive measure in that it allowed for potential saving of foreign exchange, it also had the effect of reducing customs duties and hence government revenue, the bank said.

It said that despite the general reduction in total imports, there was an increase in the import of food as a result of a drought which adversely affected agriculture.

The rate of inflation, as measured by the consumer price index, increased by 6.1 percent in 1984. This was the lowest increase in the CPI since 1976 and represents a continuation of the downward trend following increases of 8.4 percent and seven percent in 1982 and 1983, respectively.

Food and non-alcoholic beverages, which is the dominant item in the CPI in that it carries the greatest weight, increased by 8.3 percent compared with increases of 2.3 and 6.9 percent in 1982 and 1983, respectively.

Two items which increased above the all-items index were household goods and services, with increases of 6.7 percent and 8.9 percent, respectively.

All other items, with the exception of utilities and clothing, increased at rates below two percent, while utilities declined by 1.9 percent and clothing remained unchanged during the year.

Regarding trade, the bank noted that in Montserrat, re-exports are large in relation to domestic exports and are better considered as deductions from

imports rather than as positive exports. After this deduction is made, it is found that retained imports were reduced by 11 percent to 41 million dollars (one EC dollar; 37 U.S. cents) during 1984 compared with the 1983 level.

Domestic exports fell by five percent to 4.1 million dollars, leading to a balance of trade deficit of 37 million dollars, or 4.9 million dollars less than in 1983.

Significant improvements were made in the export of food and agricultural products, and there appear to be prospects for increased exports of commodities such as limes, peppers, fruits and vegetables, the bank said.

The value of exports of woven Sea Island cotton doubled in 1984 compared with 1983, but no figures were given. However, the exports of live plants, leather and packaging were reduced during the year.

The inclusion of travel service receipts puts the value of exports of goods and services at 26.5 million dollars in 1984 compared with 28.5 million dollars in 1983, while imports in 1984 were valued at 49.3 million dollars, thus narrowing the resource balance.

The bank said that during last year, there were 21,147 visitors to Montserrat, of which 16,541 arrived by air. This represented increases of 12.2 percent in total visitor arrivals and 11.5 percent in arrivals by air. Arrivals by sea, which are predominantly excursionists, peaked at 9,257 in 1982, but have declined to just over 4,000 in the following two years.

Consequently, while visitor arrivals performed better in 1984 than 1983, they are still 13 percent below the 1982 level.

Cruise ship arrivals also improved in 1984 over 1983, with arrivals increasing by 18 percent to 4,254, but this was also below the 1982 peak of 9,145.

One of the factors affecting the fall in cruise ship arrivals appears to be the need for improved facilities to accommodate the larger cruise ships.

Receipts from tourism during 1984 amounted to 13 million dollars compared with 16.2 million dollars in the previous year. This increase was derived largely from a 36 percent increase in the number of persons staying in hotel and guest houses, and offsets a marginal fall in the average length of stay of visitors.

The improvement in stay-over visitors increased the hotel occupancy rate to 46.4 percent from 34.5 percent of the previous year.

In the area of public finances, the bank noted that in the 1984 budget, which was presented in December 1983, revenue and expenditure were estimated at 23.7 million dollars and 23.3 million dollars, respectively, giving a projected surplus of 0.4 million dollars.

It was envisaged that direct taxes would yield an additional 1.1 million dollars and indirect taxes, mainly from import duties and consumption taxes,

0.9 million dollars, while non-tax revenues were projected to fall by 0.5 million dollars.

The revised estimates for 1984, which were presented in the 1985 budget, showed shortfalls in revenue and expenditures of one million dollars and 0.2 million dollars to 22.7 million dollars and 23.1 million dollars, respectively, compared with the projections given above.

The shortfall in revenue was caused in part by a reduction in imports, which led to a drop in the customs duties collected, from 2.4 million dollars in 1983 to 2.1 million dollars.

In addition to this, the outturn of the corporation tax was less than provided for in the original estimate. Non-tax revenue also fell to 2.9 million dollars from 3.5 million dollars a year earlier.

Recurrent expenditure of 23.1 million dollars in the revised estimates for 1984 was allocated on the basis of 12.2 million dollars for personal emoluments and 9.3 million dollars for goods and services. The remainder is accounted for by public debt charges of 0.9 million dollars and 0.7 million dollars in transfer payments.

The 1985 budget projects recurrent revenue at 23.2 million dollars and recurrent expenditure of 22.6 million dollars, giving a surplus of 0.6 million dollars.

Tax revenue is expected to increase by 0.3 million dollars, to 20.1 million dollars, of which eight million dollars will be provided by direct taxes and 12.1 million dollars by indirect taxes.

Taxes on income are expected to fall by 0.2 million dollars, to 6.8 million dollars. Recurrent expenditure is projected at 22.6 million dollars, or 0.5 million dollars less than the revised figure for 1984.

/9274

CSO: 3298/120

MANAGUA HOUSING NEEDS ANALYZED IN ARCHITECTS' CONGRESS

Managua LA PRENSA in Spanish 18 Oct 85 pp 1, 5

[Text] Managua is undergoing a period of accelerated growth, and if the current growth rate of 6.8 percent is maintained, we will have a population of 2.2 million by the year 2000. That means tripling the population over the next 15 years, according to architect Mario Martinez. He discussed the topic of "Housing and Urban Development in Managua" at the 4th National Congress of the Nicaraguan Association of Engineers and Architects (ANIA), which was held at the Hotel Intercontinental.

"The capital's urban problems have the following aspects: A) The increase in migratory flows toward Managua, which recent estimates reveal is occurring at a faster pace, and the lack of incentives to stem the tide of migration. B) The disproportionate and incompatible expansion of some areas of the so-called "Progressive Urban Development," settlements which contain between 8 and 10 percent of Managua's urban population. C) The incompatibility of the uses of soil as a result of the uncontrolled growth of non-productive activities in the city, which has led to the dispersion of urban economic activities. D) The severe imbalance between the supply and demand for infrastructure services and public equipment in the city, in areas such as drinking water, mass transit, the telephone network and other major elements of the infrastructure."

Limitations

According to Mario Martinez, the city of Managua has two major physical limitations: Lake Xolotlan to the north, and the mountains to the south; to the west it is flanked by a number of physical accidents such as hills and lagoons, and to the east and southeast there is a plain that is more than 15 kilometers long.

It is primarily toward that plain that the city has been growing since 1950, that is, between Managua and the International Airport. But this overlaps with highly productive farmland.

In addition, Managua is the seat of government and the center of finance, commerce, industry and banking, and has a population density of 267 people per square kilometer.

Activity Spread Out

The 1972 earthquake damaged the informal industry (cottage industry), inflicting losses of 95 percent on it; commercial and service activities were affected severely as well.

The destruction of these two activities (informal industry and commerce) led to the spreading out of urban economic activities, or the "tertiarization of the urban economy."

Housing

Speaking particularly of housing, Martinez pointed out that in 1985, of the estimated 9,000 hectares covered by the developed area of Managua, between 40 and 50 percent is being used for dwellings.

It should be explained that the term dwelling includes not only homes themselves and the physical volume necessary to shelter a family, but also complementary elements such as water, electricity, drainage, and community services.

Despite the government's efforts to solve the urban housing problem in Managua, it has been aggravated by two factors: the high demographic growth rate, caused primarily by the large numbers of migrants streaming in to the capital city, and the serious economic crisis the country is undergoing.

These two factors are responsible for the sharp housing shortage that can be seen at present, in terms of the real and potential demand of the population.

Supply

In the latest census of population and housing, which was conducted in 1971, the urban population was estimated at 379,000 inhabitants, according to Martinez, compared to a total of 74,406 dwellings. This yields an average of 5.09 residents per dwelling.

During the 1972 earthquake, 42,000 units were damaged and destroyed, which means that 33,000 homes were left functioning.

Between 1972 and 1979 11,138 temporary shelters were built in Las Americas; 15,776 homes were built by BAVINIC, 6,715 units were repaired by the Financial System, 4,000 new homes were built by the private sector, and 7,580 units were repaired by the private sector. Added to the 33,000 homes that survived the earthquake, this makes a total of 78,209 dwellings.

Construction 1979-84

According to reports by the Nicaraguan Institute of Statistics and Census (INEC) and the Permanent Conference on Central American Housing and Urban Development (COPVIDU), explained the speaker, 5,193 dwellings were built; 3,000 permits were granted and 14,507 progressive homes were granted on lots

developed by the Ministry of Housing and Urban Settlements, for a total of 100,909 dwellings in the capital.

Deficit

It is estimated that the urban population of Managua totals 800,000 persons, which indicates that 6 residents live in each house. There is a demand for 133,000 homes, but until last year there was a supply of 100,909 units, which yields a deficit of 32,391 homes.

Therefore, the potential deficit amounts to 24 percent of all units estimated for the urban area. In addition, we must add the real deficit of this city, which includes:

Inadequate housing that is in such bad condition that it requires immediate repair; poorly located homes, in that they are situated on geographic faults, in unhealthy areas or on floodplains; units that are overcrowded; and homes that lack potable water, sanitary drainage and electricity.

Between 1979 and 1984, with the joint efforts of all sectors, a total of 22,700 housing units have been built in Managua, an average of 4,540 per year. The population has grown by 214,000 over this 5-year period, however, which yields a potential demand for 7,133 dwellings per year. This means a cumulative deficit of approximately 2,593 units per year.

Lack of Urban Center

In the opinion of Mario Martinez, capital cities always tend to revolve around an urban center or "heart," where the primary commercial, cultural, scientific, financial and administrative activities, as well as others, are carried out.

As a result of the earthquake and the planning policies that were pursued subsequent to it, Managua became a multi-centered city. There is still a vacuum, since none of the centers on the periphery has been able to meet the needs served by the destroyed center of the capital, for reasons of functionability, multiplicity of functions, and even geographic location.

This does not mean that Managua should return to being the concentrated city it was in 1972; experience shows that it should not be that way. There should be a center that serves the principal and unique functions of any city, however, and that identifies the city and enables citizens to identify with it.

Integrate Lake into City

Martinez asserted that among the fundamental strategies for planning in the city, the conservation of the lake and the integration of its shoreline into the city are considered a priority.

Countless factors related to the cleaning up and conservation of the lake would be involved in this project. They have already been discussed in

previous symposiums and seminars. In addition, new, unplanned settlements must be prevented.

The problem of the high percentage of empty urban areas, which are estimated to account for between 20 and 30 percent of the total urbanized area, must also be taken into consideration.

The city is now practically divided by a large vacant zone that runs from the old destroyed downtown to the southern area, where density is very low.

Transportation Problems

The dispersion of urban commerce, services and centers of activity has caused a number of deficiencies in the transportation network ever since the earthquake.

The most serious problems of transit capacity and volume can be seen along the traffic arteries, which is where the new centers of the city are located, including Rubenia, Pista Sabanagrande, Colonia Centroamerica, Carretera Masaya, Plaza Espana, Carretera Norte, and the entrance to the National Autonomous University of Nicaragua.

The mass urban transit system consists of 495 units, of which 92 percent belong to the public sector (456 buses), and 8 percent belong to private owners.

Due to the lack of spare parts and labor discipline, of this total number of authorized units, an average of only 53 percent, or 261 units, are operating on a given day.

A total daily average of 435,000 passengers are transported, 77 percent of the 1984 urban population estimate. That means that at a given time, nearly 100 passengers are traveling on each unit.

Perhaps by improving the design of critical intersections and making better use of the capacity of existing facilities, the demand for transportation in the capital can be met.

8926

CSO: 3248/82

BRIEFS

CHIEF CENSOR REPLACED--In a recent change for reasons that are not known, the chief of the censorship office (Communications Media Office), Capt Nelba Cecilia Blandon, was replaced by Capt Charlotte Baltodano. The censorship office, a key element in the Sandinist state apparatus, had been under Blandon's control since January 1981, when she replaced Marxist intellectual Michelle Najlis in the post. For her outstanding work in the field of informational repression, she was promoted first to lieutenant and then to captain. Her "work" record is as follows: Before prior censorship was imposed, in March 1982, Blandon ordered the temporary closing of the newspaper LA PRENSA on five occasions for a total of 11 days between July and November 1981. She also shut down Radio Mi Preferida and Radio Amor permanently during that same period. Beginning in March 1982, Capt Blandon was responsible for permanently closing 22 independent radio-newspapers that had operated until the "State of Emergency" was declared in Nicaragua; she ordered LA PRENSA to close on two more occasions, and was in charge of supervising the team of censors for 1,096 consecutive days, until she was relieved of her duties last 30 September. Due to the extensive censorship which she consistently imposed for 3 1/2 years, the daily LA PRENSA stopped circulating for lack of material to print on 41 occasions, totaling more than a month. Because of this "revolutionary" performance, Blandon was promoted and is now leaving the post that won her national and worldwide recognition as a censor. With these vast qualifications, perhaps now she will be sent as an adviser to other dictatorships where her experience may be required to repress the free press. [Text] [San Jose LA NACION (NICARAGUA HOY supplement) 12 Oct 85 p 4C] 8926

CSO: 3248/82

DIEZ CANSECO SAYS APRA HAS VIOLATED HUMAN RIGHTS

Lima EL NACIONAL in Spanish 9 Oct 85 pp 15-17

[Interview with Senator Javier Diez Canseco of the United Left, by Ricardo Uceda; date, time and place not given]

[Text] [Question] In your opinion, has the American Revolutionary Popular Alliance (APRA) government already tread on the turf of human rights violations?

[Answer] The matter of the former Garagay Fund, and the very serious events that took place in the "Britanico" wing of the Lurigancho Penitentiary constitute a violation of basic rights, such as the right to life. I believe, however, that the government's reaction to the problems of violence must be viewed from several angles. I have come to the conclusion that it is trying to impose its authority by force, and at all costs. The idea is that the country needs order.

[Question] That was the theme of the previous government. Why attribute it to the present administration, if it is obviously a government with very different principles?

[Answer] The APRA administration does believe that the country needs order, and that it should be imposed by means of a combination of elements based on certain socioeconomic changes, an excellent propaganda machine, and the imposition of certain decisions through a show of force. The latter is what happened at Lurigancho.

[Question] What changes have you seen in the anti-subversion strategy since the massacre at Accomarca?

[Answer] It is debatable whether there is a new strategy. It is incongruous to relieve Gen Jarama of his command in the emergency zone and transfer him to the Center for Higher Military Studies to train officers; he was one of the planners of the strategy that has resulted in incidents of genocide such as Accomarca and in the use of torture, disappearances and the gradual elimination of people. Another reason for questioning the anti-subversion policy is that the government has no proposal for national pacification.

Benefit of the Doubt

[Question] How would you have proceeded after the Accomarca massacre, if you were in Alan Garcia's shoes?

[Answer] I would have relieved all the members of the Joint Command of their duties. All three of them, because there is no doubt that Cesar Enrico Praeli was the least responsible; the Air Force has been the least involved in these activities. Secondly, I would have made a drastic change in the command of the national security zone and subzone.

[Question] Would you have forced Minister Guerra to resign as the one to blame politically?

[Answer] I think that political responsibility lies with the previous government. The problem with the present administration is that it did not reverse its policy right away, but we will give it the benefit of the doubt by saying that it could not do everything at once. Nevertheless, after the APRA government announced a change, it maintained a similar attitude: Its pacification policy is limited to increasing government spending in the emergency zone, without even proposing an integral discussion of anti-subversive strategy. It is doing what Gen Jarama called for: complementing the struggle in different fields. In the general's view, this is a total subversion that pervades the military, economic, political and ideological spheres. He proposes an overall response, oriented by one factor: military victory over subversion. Not political victory; not negotiation.

[Question] Is that Gen Jarama's personal viewpoint, or do you think it is institutionalized throughout the military?

[Answer] In my opinion, this is a basic military strategy. The contradiction between Gen Adrian Huaman and the Belaundists was actually due to the need for more funds in the zone. But what for? To assert the military strategy more strongly.

Centerpiece of Strategy

[Question] In other words, as far as you are concerned, there is no difference between Gen Jarama and Gen Huaman?

[Answer] Yes, that is my opinion. As a matter of fact, in Jarama's testimony before Congress, he specifically defended Gen Huaman.

[Question] The APRA government, however, has shown signs of wanting to defeat the subversives through political means. Garcia has stated specifically: We want a political victory along with a military victory. Why not accept that fact?

[Answer] The centerpiece of the strategy is a military victory, and the problem is precisely that the government has no political solution. There is no proposal for dialogue, and no viable alternatives for negotiation, because the Peace Commission does not represent the government. Nor is there a policy

of civilian restoration in the emergency zones. The government has not devised any peace strategy that involves social justice, and it has no coherent measures to put an end to the genocidal repression. That is why it is trying to foist the blame for Accomarca onto a 2nd lieutenant and not on the command's strategy. That is also why some government spokesmen agree that the case should be tried by the military courts, so that officers who participate in the repression can accuse the perpetrators of the repression, and at the same time defend them. It is astounding that 2nd Lt Hurtado is being prosecuted by the Inspectorate of the 2nd Division of Huamanga, defended by an attorney from the same division, and tried by courts with officers from the same division.

[Question] President Garcia has stated that the military should not be judged on the basis of one man's deeds. Can it also be said that it should not be judged on the basis of a theory?

[Answer] The problem lies in judging an anti-subversion theory that is currently being put into practice, and the function that a given political proposal assigns to the Armed Forces. That is what should be judged, in my view, and it should go all the way to the top to include the key political authors, as is now happening in Argentina. There, the center of attention is not the 2nd lieutenant who tortured people at the Navy Mechanical School; it is the Military Political Command of the Argentine dictatorship that proposed a strategy which cost tens of thousands of lives. The issue has been clearly defined as such. No one is claiming that the entire institution is involved in the problem; it is a matter of determining the institution's orientation and the price that is being paid for the policy it is implementing. That is where we cannot find any clear alternatives proposed by the government.

[Question] Do you think it is realistic to make sudden changes in theoretical guidelines for national security, ideas that are very thoroughly instilled in Peruvian military officials? Where is the line between what should be done and what can be done?

[Answer] Clearly whatever is done depends on two things: what the objective is and what possibilities exist for it within a given relationship of force. In Peruvian politics, the military is a key element in political decision-making and power, a factor that can make or break a government's stability. But the Armed Forces are not omnipotent. They are also subject to political circumstances and the influence of pressure. Military governments have been politically isolated, defeated, and forced to retreat in our history. Now we have a government that had received the highest popularity ratings in the political annals of this country, before the events of Avenida Peru and the Lurigancho Penitentiary. It had the broadest mandate of any civilian government in this century to bring about changes within the military institutions. These changes could not be merely organic or personnel reshufflings; they had to affect ideology and strategy.

[Question] How should a popular democratic government, in your opinion, launch a different policy with regard to the Armed Forces?

[Answer] By challenging the present theory of national security.

[Question] Openly challenging it?

[Answer] Openly and assertively, because otherwise, the members of the Armed Forces will feel that substantial questions about their function have gone unanswered.

[Question] What would you propose that the military do?

[Answer] Find a new place in society: in the country's development, in the task of pacifying with social justice, in the defense of national sovereignty. We are talking about a sovereignty that is understood not just as defending natural or ideological borders against communist aggression--quote unquote--but also the defense of our resources, of the country's economic independence, of its ability to take international action following its own guidelines. We are talking about a national security based on pluralism and on respect for the opinions of the majority, something that is alien to the military officials who have been educated in profoundly anti-communist, anti-socialist ideas, whose point of departure is their Western and Christian--quote unquote--orientation. All this is just as vital as making changes in the commands themselves and launching a peace proposal based on social justice: the opening of negotiations, the elimination of the disappearances and the razing of villages, the return of civilian government in the emergency zone, the supply of economic resources as a function of the political solution, and amnesty so that those who have taken up arms will also have a way out.

[Question] The recent violent events were apparently not foreseen by the left. Do you think that they have taught a lesson to the ranks of the United Left (IU), in particular?

[Answer] The recent events have served as a lesson to a few people in the United Left who claimed that what had happened before were isolated incidents of excess, not a genocidal anti-subversion strategy, and who thought that the way to deal with the problem was to conceal the heart of it, reducing it to individual cases.

[Question] A few?

[Answer] I am referring to those who accused us of collusion with Shining Path when we said that a dirty war was going on and the country was becoming militarized. That, in particular, was one point of disagreement between us and Alfonso Barrantes, and some secretary generals in the IU during the elections.

[Question] Another lesson can be learned: that of the different reactions within APRA to the recent violent events. Don't you think, for example, that Senator Valle Riestra has not received the full support of his party leadership in some aspects of the investigation into the Accomarca massacre?

[Answer] That seems obvious to me. I have witnessed the pressure that high-ranking APRA officials have exerted against the thorough investigation of that case.

[Question] Their secretary general, Senator Villanueva, is on the Investigating Committee. What impression did he give you?

[Answer] I think he has not been in a position to help clear up the facts very well. He did not attend the main proceedings that took place in Huamanga, and in the initial phase of the investigation he went to just part of one meeting. I think that that is due to a past conflict between the old APRA leaders and the military. That conflict has had a significant impact on the life of the organization. I think that the APRA secretary general suffers from this same syndrome. I doubt that any of the leaders of the Armando Villanueva ilk would have taken even the partial measures that Alan Garcia adopted to relieve the military chiefs.

[Question] Nonetheless, many people in the United Left felt, or feel, closer to Armando Villanueva than to Alan Garcia. What is your opinion?

[Answer] One of the problems we have in analyzing APRA is that we cannot speak of clearly delineated trends in political programs. As a matter of fact, to date no one knows what APRA's platform is. It is significant that when the oil contracts were rescinded and a non-APRA person introduced a motion of support in Congress, the APRA senators called for an adjournment. Even so, Villanueva may have a very positive position in this incredible contradiction between Alan Garcia and Fidel Castro, because he is on guard against any worsening of the conflict and is trying to prevent it. Alan Garcia, for his part, is feeding the controversy, as he has a definite interest in having an opponent on the international scene to place him in a certain position, in having a policy of rapprochement with Europe, and in maintaining differences with the Americans to a certain point. On the other hand, I would say that APRA's parliamentary actions are quite far behind the Executive in terms of initiative. What I conclude from this and from APRA's history is that a lot depends on party bosses who determine their positions from one moment to the next on the basis of pragmatic considerations rather than ideological or platform considerations.

[Question] Do you share the opinion, expressed even by certain sectors of the left, that Fidel Castro sent a rude message to Alan Garcia on the occasion of the transfer of power, and that the Cuban challenge to the 10-percent idea is excessively combative?

[Answer] In the first place, what has come to light was preceded by events that are not publicly known. It would be interesting to know what happened. I am aware that there were innumerable proposals to support actions to confront the problem of the debt, no matter what the formula.

[Question] Are you referring to the possibility of explicit Cuban support for Peru?

[Answer] I am referring to everything that could have meant a nationalist position as an alternative to the traditional view of the debt. And the answer they received was that Fidel Castro does not get involved in matters that do not concern him.

[Question] Did that happen before or after Fidel Castro's message?

[Answer] Long before. Moreover, there were countless unofficial messages. High APRA officials have traveled to Havana. We should recall, on the other hand, that some Central American leaders were invited to the inauguration and later were practically disinvited. The current problem, then, has a history.

[Question] Aside from all the controversy, do you think the Peruvian and Cuban proposals have points in common?

[Answer] That depends. If the 10-percent issue is temporary (in other words, I recognize the debt and I will limit the payment to 10 percent of exports for the next 10 or 16 months), it has not resolved the basic problem, because the postponed interest payments accumulate. On the other hand, if it is established that the industrialized countries have the responsibility of assuming part of the debt, and the payment of a certain portion (which I think should be less than half) is maintained--all for political reasons, because we will have to coexist in a new international economic order--then we can find a point of understanding between the non-payment thesis and the 10-percent thesis. But the APRA government has not clearly stated who will ultimately assume the cost of the debt, we or the industrialized countries.

[Question] Some areas of agreement that have diminished recently are those that existed between APRA and the IU. How do you think the dialectical relationship between these two organizations will evolve?

[Answer] Recent events have made the government's image clearer, and if these problems are not dealt with and changed rapidly, authoritarianism will become the emphasis of the government's actions. Under these circumstances, certain economic concessions could become arguments for maintaining that authoritarianism.

There is no doubt that the possibilities open to Alan Garcia are limited by the country's situation, and by whatever actions the different social and political forces take in that regard. If there is a vast movement to demand a change in what is happening in this country, the government will certainly have more leeway in bringing about that change. I do not know what the labor and peasant organizations expect. The only forces that have tried to take any action on the violation of human rights are the women's organizations. Their efforts may have been weak, but at least they did something. And that is important, because I think something big is in the works. I don't think Prosecutor Eljalde's trip to the emergency zone and the results of that visit were any accident. He is gathering evidence to support the military version of what happened in Umaro, Bellavista, trying to deny that an operation was launched against the community there. That is not true, as we will show. I contend that Prosecutor Cesar Elejalde is negotiating with the military and APRA for a censure in the Chamber of Deputies.

[Question] And is he negotiating well?

[Answer] It appears so. He is negotiating well with the Armed Forces. He has held meetings with the military commanders in the Joint Command, and I am certain that part of that has to do with keeping the Accomarca case from being tried in the civilian courts, and with his backing of the military version of what happened in the emergency zone. And with APRA, I think he is negotiating his support of the official version of what happened in the "Britanico" wing, an explanation by the Office of Penal Institutions that is unbelievable, unacceptable and sickening.

[Question] You think, of course, that the justice minister should resign immediately.

[Answer] No.

[Question] No?

[Answer] The justice minister should not resign. If someone does not have the guts to resign at the appropriate time, when the events take place on his watch, it would be too ridiculous for him to resign 72 hours or more later. He should be kicked out, expelled by the president of the republic.

[Question] But the president has a lot of confidence in him.

[Answer] It remains to be seen whether the viceroyalty will continue.

[Question] Do you believe that the United Left will be capable of posing a coherent opposition alternative under these circumstances, in which you are pursuing an elusive objective?

[Answer] It must. If not, it will have to develop a relationship with the forces that are willing to do so. I think that some sectors are tremendously enthralled with APRA, with a policy of conciliation. This has created an inertia in presenting a response of our own. Some sectors have also indulged in personalism in the extreme; they have more faith in the charismatic leader than in the organization of the masses. People are resorting increasingly to parliamentary, bureaucratic negotiation, which reveals their lack of faith in the actions of the masses. From this description of the situation, I see the answer: mobilization, now. I also believe that there is a problem of leadership and direction within the IU. We need a truly collective leadership, based on political criteria. There is no room between APRA and the United Left. The confusion of this point is what is blurring the very personality of the left, and taking away its identity.

8926

CSO: 3348/94

BRIEFS

MISSION TO STUDY DEVELOPMENT--An official Peruvian mission, headed by Jorge Grieve Madge, an indisputable scientific and technical authority, is about to begin a study and exploration tour of the countries on the Asian rim of the Pacific Ocean. It has a particular mandate to visit South Korea, the Philippines, Hong Kong and Singapore, countries that have experienced unprecedented development in recent decades. This spectacular development has rescued them from backwardness and has given them highly technical industries capable of producing goods at very competitive costs. They have also become exporters of capital (witness South Korea), and their standards of living are by far the highest in Asia. Their breakthrough in the international economy has revolutionized traditional concepts of development and underdevelopment. Traditional factory production (which used to characterize the machine countries) is now following the example set by these parts of Asia, while the old producers of consumer goods are becoming exporters of high technology and buyers of the abundant goods produced by this efficient Asian neoindustry. If the country that gave birth to the second industrial revolution can be symbolized by a mechanical loom, the cradle of the modern industrial revolution can be labeled a computer country. Peru cannot be left behind in this process, reduced to the already obsolete condition of a mere producer of raw materials: an agricultural country or a mining country. The Asia of the Pacific rim can provide us with examples and learning experiences. The Grieve Mission is going to the Orient to examine them in their national setting (although geographically speaking, it is actually traveling westward from our country). The facts, observations and contacts it provides to us will be very valuable. When added to what we have learned from Japan (a country with a longstanding and prominent presence in the Peruvian economy), Mainland China, the Malayan Federation and Taiwan, this will form a very instructive picture, painted for us by our neighbors "on the other side." And "last but not least," we must mention the immense Australia, and the civilized New Zealand. We hail this event as an important step in Peru's realization of its historical position as a country geographically and historically linked to the Pacific Ocean, whose waters lap more than 3,000 kilometers of Peruvian shores, not to mention the 200-mile territorial sea. [Excerpt] [Lima EL NACIONAL in Spanish 2 Oct 85 p 12] 8926

BARRANTES SAID PARALYZING IU--Things are getting complicated for the president of the United Left (IU), Dr Alfonso Barrantes. Indeed, a majority of the parties that make up the IU agree that Barrantes' position is one of merely

"going along" with the American Revolutionary Popular Alliance (APRA), and that he is not interested in presenting a competitive alternative. This position, they allege, is reflected in the paralyzation of the IU and its executive committee, which has not functioned in 3 months. Barrantes' critics also point out that the mayor explains this stagnation by saying that "it is necessary to avoid the hegemony of the PUM [United Mariateguist Party]." In other words, they claim, he is taking advantage of existing internal differences among the parties to prolong the paralyzation. This month the coordination of the leftist front is the responsibility of the Peruvian Communist Party (PCP), which is promoting a working plan whose first point is the political discussion of what is happening in the country and the position the left should take on the APRA government. In this way, they believe, the IU can delineate the characteristics of the government and assess its potential for progressing or regressing, which would enable the IU to take a stand. The Communists were anxious to prevent Barrantes from coming out of this unscathed, and they thought it would be possible to hold an executive committee meeting last night, or at the latest, the week that begins tomorrow. [Text] [Lima EL NACIONAL in Spanish 6 Oct 85 p 6] 8926

OIL STRIKES--Talera, 7 Nov--It was revealed today that there has been an oil strike in the Los Leones area, on the edge of the Parinas y Mogollon Forest, 15 km northwest of Talera. It is in a newly prospected geological structure at a depth of 4,883 feet. Well 6015 is expected to produce at a stable level of 1,115 barrels per day, Petroperu technicians said. [Summary] [Lima EL COMERCIO in Spanish 8 Nov 85 p A12 PY] Pucallpa, 11 Nov--Petroperu has found a petroleum deposit in Pacaya sector of Ucayali Department, in the central jungle. It was announced that well 35-X had been proven to produce 200 barrels of petroleum per day. There are plans to drill four more wells in the area for a total production of 1,000 barrels per day, which would justify the construction of a 15-km pipeline to Puerto Oriente on the Ucayali River from which the petroleum would be sent to the Pucallpa refinery. The geological structure of the find is named "Casablanca." [Summary] [Lima EL COMERCIO in Spanish 12 Nov 85 p A1 PY] /6091

CSO: 3348/242

CHAMBERS CITES ACTIONS TO UNDO SNAGS IN CARICOM TRADE

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 85 p 1

[Text]

KINGSTON, Tues., (Cana) TRINIDAD and Tobago has been working to make it easier for approved imports to enter the country, Prime Minister George Chambers has said here.

Reacting to criticism from its Caribbean neighbours that import licences were not expeditiously followed by foreign exchange clearance, Mr. Chambers told journalists last night that his government was working to harmonise the two systems.

"I think I will soon be able to make a formal announcement," the Trinidad leader said at the end of an official four-day visit to Jamaica.

The changes, he said, will remove many of the snags in his country's trade relations with its Caribbean Common Market (Caricom) partners.

Mr. Chambers indicated, however, that he had no intention of removing the licensing regime as has been

demanding by some regional governments.

"We are not in a position to have a free for all as yet," he said.

The Trinidad and Tobago Prime Minister left Kingston today for the United States to attend the Miami Conference on the Caribbean, an annual forum involving Caribbean and U.S. Government and business leaders that examines trade and investment opportunities.

Trade dominated discussions between Mr. Chambers and his Jamaican counterpart Mr. Edward Seaga, here yesterday, and both leaders said they agreed to work to relieve any lingering problems in the wake of a bilateral trade pact signed recently by the two countries.

Two agencies involved, the Central Bank and the Licensing Authority in the trade Ministry, had not always worked complementarily, Mr. Chambers noted.

The Trinidad Prime Minister felt that drain on his country's foreign

reserves had bottomed out, and that the economy could be poised for a new upswing.

The foreign exchange situation has been stabilised. It has bottomed out, he said, but not enough for the dismantling of import licences.

The Prime Minister also declined to outline his planned policy measures for a resuscitation of the Trinidad and Tobago economy after what he said was a period of stringent adjustment since 1982.

"Wait for the 1986 Budget which will soon be presented," he remarked.

/9274

CSO: 3298/169

RUMCRED SHOOTING INVOLVING MINISTER RAISED IN PARLIAMENT

Blast at Government Silence

Port-of-Spain EXPRESS in English 18 Nov 85 p 8

[Editorial]

[Text]

ACCORDING to reports which we have been able to verify after several days of investigations, a senior Cabinet minister was shot in the leg, treated at hospital and is now recuperating at home. Curiously, however, there is no official record of the incident anywhere and police officials have incredulously denied that they know anything of the shooting. Even the Ministry of Information has maintained an absurd silence about the minister's injury and the minister's own office has refused to comment on the nature of his "illness".

The incident, a trifling one perhaps, makes our blood crawl because it shows how easy it is for the government, or a government minister, to manipulate various sections of the community to deny public access to information. And it emphasises the vast chasm which has opened up between the

government and the people since another government minister, 20 years ago, freed his step-son from a police cell in Woodbrook.

Our reason for bringing attention today to this incident is not to add to the minister's discomfort; far from that. But the efforts which have been made to conceal his injury, we believe, are tantamount to a conspiracy against the people of Trinidad and Tobago whose interests the minister, and his government, are supposed to serve. Additionally, the behaviour of the police in this case suggests that there is one law for government ministers and another law for lesser human beings.

The alienation of public respect for the police which this attitude will bring about is something we warned about in our editorial yesterday which focused concern on the Abdul Kareem case and the unwillingness of the po-

lice, as it seems to many people, to care to bring his killer to justice. The Commissioner of Police, we wrote, "owes the country some sort of explanation about how that investigation is proceeding, exactly where it has led to, and why is it that so blatant a crime could remain undetected even though witnessed by at least one policeman who had Kareem in his custody that night."

We think it apt to draw a comparison with the Kareem case because it is clear from the Coroner's inquest into his death that a veil of secrecy, or fear, similar to the one which has been drawn around the Minister of Commerce, Industry and Tourism, has effectively frustrated the public's hopes of bringing the perpetrator of this brutal crime to justice. The tragedy is when a government minister appears to get policemen's assistance in covering up what is a suspicious accident, or a

crime, it is naive to expect that they would not be as accommodating to their own kind when they imagine the occasion demands it.

All this dissembling, of course, strikes at the root of our democracy while it undermines the rule of law. When he addressed journalists at the BWIA Media Awards presentation at the Trinidad Hilton last Monday night, Minister of External Affairs Errol Mahabir reminded his audience that "it is the strength of a democracy that the people, in whose

name and with whose consent the government acts, should have access to all the necessary information upon which to base their consent."

If therefore a minister of government has been injured in a shooting incident, the public has a right to know how and why, and it would preposterous to accuse the press, if it is serious about its business to inform the public, of trying to sensationalise an unfortunate accident.

The fact, however, that the government failed to realise its own obligation to inform the nation about

the nature of Mr Wendell Mottley's injury shows once more the contempt which it has for the people of this nation. Mr Mottley, as was well-known, was to accompany Prime Minister George Chambers to Jamaica and Miami but there was no statement about his absence from the team which left on Friday. Consequently, Mr Chambers's appeal when he talked on Saturday to University students at Mona "about leaders and about principles which like beacons will guide our lives" sounds hollow and unconvincing.

Parliamentary Questions

FL261645 Bridgetown CANA in English 2110 GMT 25 Nov 85

[Text] Port-of-Spain, 25 Nov (CANA)--Opposition Member of Parliament Winston Dookerman has called on the Trinidad and Tobago Government to clear the air on rumors that Industry Minister Wendell Mottley had been shot.

Mottley did not accompany Prime Minister George Chambers on his visit last week to Jamaica as scheduled, but later joined him at the Miami conference on the Caribbean.

Press reports here had alleged that he was involved in a shooting incident, adding that attempts to investigate the matter had been frustrated.

Dookerman took the opportunity of debate on press freedom--part of a long running private member's bill on press responsibility--to air his concern.

In response to Labour Minister John Donaldson's contribution last week that the press had a responsibility to inform the public on official business, Dookerman asked how the press could do so when government itself withheld facts. The minister was announced as going to Jamaica on a trade team, Dookerman told the house. He did not go, and no official explanation was given...the public must be informed on affairs of the state.

Was it not the responsibility of the state to have explained why the minister of industry and commerce did not attend the meeting in Jamaica? asked Dookerman.

/9274

CSO: 3298/169

NAR READY FOR ELECTIONS; SINGLE, UNITARY PARTY DISCUSSED

Robinson Press Conference

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 85 p 1

[Article by Clevon Raphael]

[Text] National Alliance for Reconstruction (NAR), an amalgamation of four political parties in opposition to the ruling People's National Movement (PNM), is moving towards the formation of one unitary party--before the next general elections.

Mr. A. N. R. Robinson, Political Leader of the NAR and Chairman of the Tobago House of Assembly, disclosing this yesterday morning, also told Press representatives at a news briefing that:

--The Mount Hope Medical Complex--"an extravagance we should never have entered into"--should be converted into an international medical facility;

--Government was, is and never would be serious about fighting corruption; and

--NAR was prepared to fight the next general election anytime it was called.

Mr. Robinson, who was flanked by Mr. Basdeo Panday, a Deputy Political Leader, and Mr. Ken Ablack, Public Relations Officer of NAR, said instead of spending \$500 million (which he said would be the final completion cost) on the Mount Hope project, Government ought to have improved the country's major and county hospitals.

The Chairman of the Tobago House of Assembly defended Mr. Panday's personal decision to boycott functions to which he was invited for the Queen's recent visit to the country.

On cost overruns which affected almost every government project, Mr. Robinson questioned why the overruns were so excessive.

Underhand Dealing

Supply the answer, he declared:

"The single answer, ladies and gentlemen, is corruption, and unless the population understands the damaging and disastrous consequences of corruption in any country, then we would not be able to deal with this issue and achieve the level of productivity and efficiency that we seek to achieve."

Mr. Panday said what he found puzzling about the purchasing of Trinidad Tesoro was that nobody knew how much Government was actually paying as this was being done by way of oil.

Mr. Robinson charged the whole affair smacked of underhand dealing.

Dwelling on the question of a unitary party, Mr. Robinson, a lawyer, explained that the NAR was recruiting members through its constituent units. He said:

"We are moving in the direction of total unity; that is the direction in which we are moving so that you do not have to apply to join one unit or the other but just straight NAR."

Pressed to say if this entity could be achieved before the next general elections which must be held by February 1987, Mr. Robinson declared.

"Well, we are acting in a very democratic fashion and we are sensing the sentiments of the rank and file, the grass roots. Our assessment of the sentiment of the rank and file is that it is in favour of total unity.

"The institutional measures now have to be put in place so that it can be achieved in an orderly and legal manner according to the constitution of units involved.

"I cannot say when it would take place, but I can give you an educated guess that it would certainly take place before the next general elections."

Asked if a unitary party would mean the dissolution of the constituent parties, a NAR source explained last night:

"What is going to happen is that the constitution of NAR is going to be changed to empower persons to be accepted as members of NAR and not as members of the various constituent parties."

Charging that there were procedures to be taken if Government really wanted to tackle corruption, Mr. Robinson attacked the Attorney General for saying in Parliament last Friday that former Government Minister John O'Halloran could not be prosecuted on bribery charges because foreign witnesses refused to come to Trinidad to give evidence.

"That is the most damning confession a Government can make. I happen to know that statement is not true. I have evidence which shows statements made by the firm involved (Sam P. Wallace) that the officials involved in the firm were willing to give evidence.

"But that at the moment is not the point. The point I am making is, if a Government on the issue of corruption makes a statement that it cannot get

people to testify, it is a condemnat-on of the Government, and I have absolutely no doubt that it is a condemnation of the Government of Trinidad and Tobago and of the office of the Attorney General, the Cabinet as a whole."

He argued that the reason why the witnesses would not come forward was that they had no confidence in the procedures; that action would be taken and fear that they may fall "victims," and he referred to Gene Miles being "persecuted" after exposing the gas station racket years ago.

Robinson on Party Membership

Port-of-Spain EXPRESS in English 20 Nov 85 p 3

[Text]

ANR Robinson has said that Prime Minister George Chambers' statement that elections is not constitutionally due until 1987, is wrong.

"The cut off date is in February 1987, but elections can be called by the Prime Minister under the Westminster system at any time." He also stated that the NAR would be ready for any elections whenever one is called.

Robinson was speaking at a NAR Press conference on Monday at the Organisation for National Reconstruction headquarters. He described the internal condition of the NAR, saying that total unity was not yet accomplished but that NAR was moving in the direction of unity.

He said that formal membership in the NAR was not yet possible and that it was via membership in the National Alliance of Trinidad and Tobago or the ONR that one's membership was automatically extended to the NAR. But, he added in response to the sentiment of the people the NAR will become totally a single unit before the next elections.

Robinson stated that the NAR was organising itself internally before beginning a programme of public meetings. Such organisation, he said, included the drafting of a code of conduct which would create enforceable ground rules for its politicians. The code, he said, brought the party "into a regime of discipline" and is an attempt to transform the political culture of Trinidad and Tobago.

He said, however, that by January 1986 the NAR will start holding public meetings and that it had in fact already started an intensive programme in the constituencies.

More Robinson Criticism

Port-of-Spain EXPRESS in English 19 Nov 85 p 1

[Article by Ria Taitt]

[Text]

THIS Government is not serious, has never been serious and will never be serious about the issue of corruption.

So said A.N.R. Robinson, Chairman of the Tobago House of Assembly and Political Leader of the National Alliance for Reconstruction (NAR), at a press conference at the headquarters of the Organisation for National Reconstruction (ONR) yesterday.

Referring to the statement made by Attorney General Senator Russell Martineau that former government minister John O'Halloran could not be prosecuted because witnesses would not come forward, Robinson said: "I happen to know that statement is not true." He said that he had evidence of statements showing that offi-

cials from the "firm involved" were willing to testify.

But he added that even if Martineau's statement were true, it is a condemnation of the Government, the Cabinet and the office of the Attorney General as a whole. "The reason why witnesses, assuming they would not come forward, would not come forward is that they have no confidence in the procedure," he said, referring to past incidents where no action was taken and where people who testified were victimised.

Robinson also talked on the difference between the stand which he and Basdeo Panday took in relation to the Queen, saying that Panday took a personal position, whereas he was acting as Chairman of the Tobago House of Assembly.

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CSO: 3298/169

GOVERNMENT DENIES OPPOSITION CLAIM 'BIG FISH' ARE INTO DRUGS

Panday Charges

Port-of-Spain TRINIDAD GUARDIAN in English 22 Nov 85 p 16

[Article by Clevon Raphael]

[Text]

CERTAIN "high ranking" public officers have been video-taped receiving bribes and indulging in activities they prefer to keep secret, Opposition Leader Mr. Basdeo Panday, charged in the House of Representatives on Wednesday.

Speaking in the debate on a Bill which seeks to strengthen penalties for narcotic offences, Mr. Panday accused Government of "hypocrisy" in curbing drug abuse and said it was deliberate policy to keep some of the Coast Guard boats inoperative because certain people in "high places" were involved in the illegal drug trade.

Mr. Panday, who drew several interruptions — on a point of order — from Attorney General Russell Martineau and National Security Minister John Donaldson during his contribution, also said the Constitution should be amended to enable the "investigation" of the President of Trinidad and Tobago for allegedly "hiding information" from the public.

Piloting the narcotics control measure, Senator Martineau spoke about the number of arrests made by the Police over the years; the increased seizure by the Police of drugs such as marijuana, cocaine and hashish.

But Mr. Panday took the line that Government was not serious about the problem and

referred to the Pantin Commission of Inquiry appointed in 1968 which reported in 1971.

None of the committee's recommendations were implemented and in 1973 Government appointed a committee on drug abuse and alcoholism. Mr. Panday mentioned the various recommendations made by people like Dr. Edward Moses more than ten years ago and still nothing positive was being done.

Only last week, he said, he tried to get the interim report of the Garvin Committee on Drug Abuse, first going to the Minister of Health, who referred him to the Minister of National Security, who in turn referred him to the office of the President.

Mr. Panday com-

plained that after some more "runaround" he was told by the President's secretary that the committee made no recommendations after all.

An infuriated Mr. Panday declared: "I suppose that the recommendations are being kept secret because it named names of high officials of Government of this country in the drug racket. I suspect that and you (Government) must prove me wrong..."

He charged the "high ranking" officials who were allegedly video taped — according to information he received — were being blackmailed.

The Attorney General, he argued, instead of telling how many arrests were made and drugs seized, should tell the country how many convictions were achieved in the courts.

Attorney General's Reply

Port-of-Spain EXPRESS in English 21 Nov 85 p 1

[Article by David Renwick]

[Text]

ATTORNEY General Russell Martineau denied vehemently in the House of Representatives yes-

terday that the police were protecting the "big fish" in the illegal drug trade in Trinidad and Tobago.

Opening debate on the Narcotic Drugs and Psychotropic Substances Control Bill (it was passed by the Senate at one lengthy sitting last Wednesday and the Government's intention seemed to be to do the same in the House last night), Senator Martineau rejected reports made to him by various people from time to time that known drug traders never appeared to be held by the police.

He fished out a list from among his papers and reeled off a collection of charges against "so-called big fish," without giving any names, which he said he preferred not to do. For example, against Mr A, there were 20 cases pending, Mr B, four cases pending, C—eight cases pending, D—nine cases, E—seven cases, F—six cases, H—eight cases, I—10 cases and so on. Arrests for using both marijuana, and cocaine —"a relatively new drug in Trinidad and Tobago"—had risen recently, the Attorney General reported.

Claiming that the new bill, which targets in on the drug trafficker and recommends a maximum penalty of life imprisonment for such people, was a blend of "deterrents, punishment and rehabilitation," Senator Martineau warned that the "drug menace" was "not one where we can sit down and say 'it is my neighbour's child, I am

not affected.' We are all affected." The bill had "a certain measure of urgency about it," reflected in the general feeling cutting across all groups in the society, that "we must see that this menace is eradicated."

But Alliance Opposition Leader Basdeo Panday dismissed Senator Martineau's claim that the Government was acting with "urgency" in the matter. Enquiry after enquiry into illegal drug use had been mounted and it was the Government itself that, by "sitting on its haunches," had "permitted the problem of heroin and other hard drugs to develop to the point where it is uncontrollable and has already destroyed thousands of our children."

In any case, legislation was only "one aspect" of the problem. The ENFORCEMENT of the law was equally important and he had little hope that the Government would do that, even under the new bill. He was not impressed with the Attorney General's statistics of cases pending against "big fish." "How many CONVICTIONS did the police get?" he demanded to know. "All the 'pending' matters is a ruse to fool the population that something is being done."

The Opposition Leader said he had been told video tapes of "high-ranking police officers" had been made, showing them receiving bribes. The stiffer penalties in the Narcotic Drugs and Psychotropic Substances Control Bill would have little effect, he believed, because there was no evidence that the present law, which contained fairly severe measures itself, had ever been properly applied.

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CSO: 3298/170

REVIEW SEES LITTLE TO SUPPORT CONTINUED STRONG ECONOMY

Port-of-Spain TRINIDAD GUARDIAN in English 20 Nov 85 pp 4, 6

[Text]

THE uncertainty of future economic trends and the seeming volatility of the stock market have continued to make timing one of the most important factors in investment decisions today.

Investors, therefore, should monitor their portfolio more closely for buy and sell signals," Clouden and Clouden Investments Limited reported.

CACIL, a Quarterly publication for professional investors, in a review of the stock market and the economy, acknowledged the strong start in the domestic economy for the first part of the year.

While there was a favourable balance of visible trade of \$708 million, foreign exchange income rose to \$2.1 billion, and the Central Government's cash surplus of \$39.8 million, CACIL said there was insufficient evidence the trend will continue in the near future.

For one, the drop in total imports to \$430 million during this first quarter compared with \$2,255.4 million for the corresponding period last year was almost entirely as a result of stringent fiscal measures implemented by Government to curb import substitution," CACIL suggested.

However, exports which reached \$2,527.7 million in the first six months of this year compared with \$2,388.8 million for the same period last year would become more difficult to maintain as competition among exporting nations for the better available markets in a protectionist climate increase."

The stock market composite index for the third quarter of this year, CACIL said, had responded quite positively to the favourable economic indicators in the first half of the year by advancing to 54.2 compared with the previous quarter when it stood at 52 per cent.

Despite this modest rally, investors buying interest continued to decline as third quarter transaction volume decreased 23 per cent to \$9,233,684 and value by 20 per cent to \$28,662,490 compared with the previ-

ous quarter," CACIL said.

"While lower trading volume and irregular price movements have remained the rule in the market, most of the trading activities have been concentrated in a select number of issues rather than a broad range of shares."

A DECLINE

Investors' sentiments have continued, mostly in the financial area, with banks' shares receiving much of the attention both in volume and price movement. This pattern, CACIL said, could become more pronounced in the future as the year-end financial statements are made public.

Already the banks have shown a decline in their after-tax profits. The market, CACIL said, has reacted strongly to these declines causing significant reductions in their share prices.

"The reduction in loan demand and interest rates compounded by the increase in the average excess liquidity position to 2.2 in August could make the banking sector more volatile in the future," CACIL cautioned.

"As banks continue to grow larger and more conservative, particularly in non-performing loans, investors should pay particular attention to price fluctuations in the market and take advantage of their upward movements."

Along with the banks, CACIL pointed out there were also noticeable profit reductions among the conglomerate groups. The banks

however, is still awaiting the T. Geddes Grant report before showing any major movements.

"Although no miraculous reversal is anticipated soon in this sector, the major discounting which have already taken place in its shares makes them very attractive yielding shares at present prices for long-term accounts, and they should be included in most portfolios," CACIL suggested.

Inflation seemed to have been stemmed successfully at an analysed rate of 7.9 per cent in the first half of this year compared with 18.2 per cent of the same period last year.

This position, CACIL warned, might somehow prove difficult to maintain in view of the 107 per cent increase in port charges this year on an import oriented consumer.

"Trading companies that have depended so heavily on imports will no doubt be seriously affected by this new rate structure, adding further to their woes caused by the fiscal measures taken by Government," CACIL said.

The trading sector for the third quarter of 1985 had shown already a 12 per cent slide to 26.7 when compared with the previous quarter. Shares such as Furness Trinidad Limited, Stephens and Ross and Agostini have experienced major price decline and the immediate future is not very comforting for them, CACIL said.

The picture was not so gloomy for the manufacturing group as its index has gained ten full points over the last quarter to reach 128.9 by September 27 this year.

"The ability of this sector to maintain this rapid upward movement could be seriously threatened by the current decreases in disposable income and overall consumer demand," CACIL stated.

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CSO: 3298/171

DEVELOPMENTS IN PETROLEUM SECTOR REPORTED

Trintoc Production

Port-of-Spain TRINIDAD GUARDIAN in English 14 Nov 85 p 7

[Text]

SAN FERNANDO:

PROSPECTS in 1986 seem good for the newly-integrated Trinidad and Tobago Oil Company Limited (TRINTOC) which may well be heading for a successful future, according to a company source.

Questioned about the current throughput, a company spokesman said that the Point Fortin refinery has increased its throughput to 54,000 barrels a day.

Point Fortin had been running between 35,000 barrels and 40,000 barrels a day.

The spokesman confirmed that the Pointe-a-Pierre refinery is currently operating at a throughput of 65,000 barrels a day, a similar trend over the past few months.

But in order to keep the Pointe-a-Pierre refinery going, reduced crude is being sent from Point Fortin to Pointe-a-Pierre. Over the past few months more than 300,000 barrels of reduced crude have been sent to the Pointe-a-Pierre refinery, said the company official.

It is the opinion in oil circles that the company's thrust to become viable will depend on the new management including Board Chairman, Mr W. Andrew Rose and

Managing Director Walton James, both of whom sometime ago, spoke of making the company a profitable venture.

The composition of the 12-man Board of Directors has been hailed since it seems to be well represented of business and professionals.

Three businessmen, a mechanical and marine engineer, economist, petroleum engineer and a chartered accountant together with a management consultant comprise the new expanded Board of state-owned Trintoc.

Shortly after the announcement of persons named to serve on the Board was made, the

President of the South Trinidad Chamber of Industry and Commerce, Mr Hedwidge Bernaux, said the new Board should be given an opportunity since the Chamber believes that members have the experience and expertise to make the company a viable operation.

Meanwhile, it was learnt yesterday that Trintoc is busily engaged in drawing up its 1986 budgets.

The exercise was described by one source as "comprehensive" since Trintoc is now an expanded company.

The budget, it is understood, must be presented to the Board of Directors before the end of the year.

Tesoro Purchase Agreement

Port-of-Spain TRINIDAD GUARDIAN in English 16 Nov 85 p 1

[Article by John Babb]

[Text] Government has acquired the 49.9 per cent equity of Tesoro Petroleum Corporation in Trinidad/ Tesoro for 3.23 million barrels of residual fuel oil, which is to be delivered to Tesoro Petroleum Corporation over a period of 18 months--from May, 1986 to November, 1987.

Since Trinidad/Tesoro is now wholly owned by the Government, its name has been changed to Trinidad and Tobago Petroleum Company Limited.

Announcement of the takeover was made officially yesterday in Parliament by the Minister of State Enterprises, Mr. Ronnie Williams.

In his statement, the Minister recalled that it was in August, 1982 that Tesoro Petroleum Corporation offered to sell to the Government its 49.9 per cent equity in Trinidad-Tesoro. The Government then owned 50.1 per cent of the company.

In the offer, Tesoro Petroleum Corporation also indicated its wish to re-structure its asset base.

Following the offer, negotiations between the two parties began in September, 1982 with a view to agreeing on a price for Tesoro Petroleum's shares.

According to the Articles of Trinidad/Tesoro company, agreement should have been reached within 30 days of the offer being made, but this did not happen.

As a result, in December 1982, the matter was referred to the auditors of Trinidad/ Tesoro Petroleum Company--Touche Ross and Company--and the Auditor General.

The company's auditors engaged the firm of Dominion Securities Pitfield to assist in the determination of a fair market value of the Tesoro Petroleum Corporation's shares.

In December 1984, the auditors reported to the shareholders with certain reservations.

According to the report, the value of Tesoro Petroleum Corporation's shares was \$451,300,000, subject to the reservations referred to earlier.

The Government's reaction to the report was clearly indicated by the Prime Minister and Minister of Finance and Planning in his 1985 Budget Speech.

One of the significant reservations of the auditors cited by the Prime Minister in his Budget Speech was that their opinion was subject to the reservation that they were in no position to forecast future oil prices.

The matter was referred to the Attorney General for his advice.

Later, the two shareholders agreed to resume discussions with a view to negotiating a fair price for the shares. These discussions were conducted over the past few months, and were concluded recently, according to Mr. Williams.

Formal Completion

He told Parliament: "Accordingly, I am now pleased to report that the Tesoro Petroleum Corporation's shares have been acquired by Government for a purchase consideration of 3.23 million barrels of residual fuel oil. Delivery of that fuel oil will be made over the period May 1986, to November 1987, that is, over a period of approximately 18 months."

Mr. Williams also told Parliament that yesterday--November 15--the Government and Tesoro Petroleum Corporation formally completed the acquisition transaction by--

1. Signing the purchase and sale agreement;
2. Handing over the Share Certificate and Transfer documents by Tesoro Petroleum Corporation;
3. Termination of the Management Contract between Tesoro Petroleum Corporation and Trinidad/Tesoro Petroleum Company Limited and the Heads of Agreement between the Government of Trinidad and Tobago and Tesoro Petroleum Corporation.

In due course, Mr. Williams said, proposals will be submitted to Cabinet regarding the role and future of the company in the local petroleum sector.

In the interim, Mr. Williams added, the name of the company has been changed to Trinidad and Tobago Petroleum Company Limited.

A copy of the Purchase and Sale Agreement was laid on the table of Parliament.

Terms of Payment

Port-of-Spain TRINIDAD GUARDIAN in English 16 Nov 85 p 1

[Text]

THE Trinidad and Tobago Government has agreed to pay Tesoro Petroleum Company 3.23 million barrels of fuel for the Company's 49 per cent share in Trinidad. Tesoro at the rate of 6000 barrels a day, beginning May 1, 1986 and including November 5, 1987.

The remaining 7000 barrels will be shipped the day after that. The fuel will be used for the Government's fleet of ships, including the Coast Guard, and for the Government's fleet of aircraft and for the Government's fleet of trucks and for the Government's fleet of buses.

Each payment will be made after the end of the month in which the fuel is delivered.

NO TAXES

The Government has agreed not to impose taxes or charges, including duties or any such impost, on the fuel.

Tesoro Petroleum Company, on the other hand, has agreed to pay the Government 49.9 per cent of any money to be paid to the Government by the company for the use of the Government's fleet of ships, including the Coast Guard, and for the Government's fleet of aircraft and for the Government's fleet of trucks and for the Government's fleet of buses.

Both parties agreed to sign an agreement of the agreement, the Management Contract, dated September 14, 1985, and to terminate the contract dated August 1, 1985, for the use of the Government's fleet of ships, including the Coast Guard, and for the Government's fleet of aircraft and for the Government's fleet of trucks and for the Government's fleet of buses.

The agreement is subject to the approval of the Government's fleet of ships, including the Coast Guard, and for the Government's fleet of aircraft and for the Government's fleet of trucks and for the Government's fleet of buses.

Amoco Program

Port-of-Spain TRINIDAD GUARDIAN in English 18 Nov 85 p 1

[Article by Clevon Raphael]

[Text] Amoco Trinidad Oil Company is relentlessly pursuing an expanded exploration and production programme--despite forecasts of declining oil prices by economists.

The company's President and General Manager, Mr. Robert N. Powers, emphasised this point while disclosing yesterday that Amoco had produced its 500 millionth barrel of crude oil last week, after less than 14 years of production.

This feat, according to Mr. Powers, was the largest volume ever produced by a single petroleum company in Trinidad and Tobago and represented 22.6 per cent of all the crude ever produced in the country.

Mr. Powers added that since Amoco started operations in Trinidad and Tobago the company has paid to Government by way of taxes, royalties and other assessments more than \$20,000 million.

Amoco's earnings over the period has been less than 13 percent of the net profit, the difference being taxes and other payments to Government.

Mr. Powers, in congratulating the company's employees, said:

"Your proven commitment to excellence in what has made this possible. These results are an outstanding example of what is possible when, jointly, Government and its agencies, a technologically well equipped corporation and its employees work together for a common objective with the support of the public.

"We cannot overlook, either the contribution made by both local and foreign contractors and valuable former employees."

Since the company started operations, \$2,000 million have been injected into the local economy through payment of salaries and purchases of goods and services in Trinidad and Tobago.

"We should be justly proud because this achievement was not by chance, but through diligence, prudent management and faith in ourselves and the people of Trinidad and Tobago.

"Ahead of us lies the challenge of the future. Despite forecasts of declining oil prices by some economists, we have recently initiated an expanded exploration and production programme on the basis of recent agreements with Government.

"We are engaged in a \$99 million exploration programme. Also, in 1985 we started a \$379 million development programme which included a platform scheduled for installation in the new Mora Field by March next year.

"Another major project receiving active attention is the expansion of waterflood facilities in the Teak and Samaan Fields," the Amoco boss said.

Amoco (then the Pan American Trinidad Oil Company) obtained its first exploration licence for offshore drilling in the eastern coast of Trinidad in 1961, jointly with the Sun Oil Company and the Pure Oil Company.

Sun and Pure left the arrangement before the discovery of oil in the Teak Field in 1969. The first barrel was produced on January 11, 1972 after the installation of the Teak A drilling and production platforms, laying of a pipeline to shore and construction of the Galeota Point Terminal facilities.

Since that time Amoco has drilled 80 exploratory wells and acquired in excess of 13,000 miles of seismic data.

To date Amoco has drilled a total of 153 development wells and has installed a total of 14 offshore platforms, some of which are for drilling wells and others are for production facilities or a combination of both.

In 1977, with the installation of the Teak E platform, Amoco commenced a secondary recovery programme to waterflood selected reservoirs in the Teak Field. The Teak E platform contains facilities to process and inject a maximum of 100,000 barrels of seawater daily. Waterflood projects will soon be expanded to include reservoirs in the Samaan Field.

Union Reservations

Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 85 p 16

[Text]

SAN FERNANDO:

OILFIELDS Workers Trade Union is happy over the takeover of the Tesoro shares in Trinidad Tesoro Petroleum Company Limited, but the Union wants to see a copy of the Heads of Agreement to see the details contained in the document.

Acting President General Errol McLeod, speaking on behalf of the union, said yesterday: "We are happy now that the negotiations for the takeover of the Tesoro shares in the company have been completed. We are also happy over the settlement arrived at."

Mr McLeod said that they are also pleased that the dollar value to the settlement is no way near the original demand made by the Tesoro Corporation.

He said: "We look forward to the speedy rationalisation and integration of the new company's (Trinidad and Tobago Petroleum Company Limited) holdings within the

framework of the expanded Trintoc and its management.

INPUT

He said that the union is also looking forward to the Government and Board of Management of the new company inviting the input of the OWTU at the highest level on the future development of the oil industry.

Trinidad Tesoro was one of the companies which made up Trinmar Limited. The others are Texaco Trinidad Inc. and Trintoc. When Government bought out the assets of Tex-

aco Trinidad Inc. the company retained its share in Trinmar Limited.

With the purchase of the remaining 49.9 per cent shares held by the Tesoro Petroleum Corporation it is understood that Trinidad Tesoro's one third share in Trinmar is included in the transaction. But Mr McLeod wants to see the Heads of Agreement to see the details before commenting further.

EQUITY

Government acquired the 49.9 per cent equity of Tesoro Petro-

leum Corporation in Trinidad Tesoro Petroleum Company Limited for 3.23 million barrels of residual fuel oil, which is to be delivered to Tesoro Petroleum Corporation over a period of 18-months, from May, 1986 to November 1987.

Trinidad Tesoro employed about 1,300 hourly and weekly paid workers and about 480 monthly paid. The hourly and weekly paid are represented by the OWTU and the monthly paid by the National Petroleum Staff Association. So far all the employees have been retained by the new company.

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CSO: 3298/171

OWTU RESPONDS TO SUNDAY GUARDIAN CRITICISM

Port-of-Spain SUNDAY GUARDIAN in English 17 Nov 85 p 10

[Letter to the Editor]

[Text]

THE EDITOR:

THE General Council of the Oilfields Workers Trade Union (OWTU) takes great offence, expresses indignation and outrage, and is deeply disgusted at an article published in the SUNDAY GUARDIAN of October 20, in the column written by Sunday Guardian Special Correspondent.

We are accustomed to attacks on the philosophy, policies and practices of our union, because the Trinidad Guardian has its class interests to pursue and we have ours.

The article clearly shows the contempt and scorn which the ruling classes hold for workers and for such a workers' institution as the OWTU; which has not only developed for 48 years, but which has helped to win the few liberal democratic rights working people still possess.

SENIOR CITIZENS

The resort to unsubstantiated statements reflects the fact that the ruling classes are losing moral authority, have lost the philosophical battle.

Imagine attacking a national leader (George Weekes, President General of the OWTU) in such terms as "pitiful," "almost senile," "shifting and unsteady," "over the hill," "verbally stumbling old man." It seems that the Guardian equates age with senility. This is gross disrespect for senior citizens. We have not seen the Guardian attack President Clarke or President Reagan as being senile.

Probably, the most vicious piece of mud slinging by the Special Correspondent is the comparison of our president general with the racist fascist monster Adolf Hitler, purely on the basis, so says Special Correspondent, of both men having achieved the rank of lance corporal in their respective military service.

This monstrous comparison is exposed when it is considered that our

president general volunteered to serve overseas in World War II, precisely because of his hatred for fascism.

Special Correspondent blames "professional trouble makers" for the social unrest in the country. Witch-hunting and redbaiting are indulged in, Marxism and Moscow and these "trouble makers" are accused of "viciousness and outright sedition."

Our president general is accused of "killing the moral fibre, of destroying the work ethic" and oilworkers are described as a "prodigal group of people grown soft from lack of trying, from lack of effort."

Does Special Correspondent realise that in the oilfields and refineries, lack of effort may result in sudden death and horrible injury, because of the hazards inherent in the industry?

Has Special Correspondent any idea what it is to be working at 3 a.m. with rain falling, gas pressure building and men's lives dependent upon one's confidence in one's fellow workers?

Is Special Correspondent not insulting the memory of the 14 oilworkers who lost their lives in their bid to keep our ravaged economy afloat? Indeed, to publish this attack on oil workers just three days after the worst accident in the country and when so many families were in mourning demonstrates the contempt which Special Correspondent has for workers.

Of course, absolute rubbish about the union's finances must be brought in. It is really a red herring, because Special Correspondent knows full well that the union's accounts are more open, more subject to audit, more democratically debated than any other accounts — public or private — in the country.

Exposing the lack of understanding of capitalist economics, Special Correspondent blames "the downturn" on wage hikes. How quaint! Not one word about the dependent

state of our economy in the international capitalist order. Not one word about the wastage and corruption of public funds. Not one word about irresponsible mark-ups, illegal flight of foreign exchange, financial and real estate rip-off, productive capital invested in conspicuous consumption, etc. No it is easier to blame the workers.

To attack our president general for failing to win a seat in the 1966 general election is to attack people like Basdeo Panday and ANR Robinson for having lost elections. Not a word about his having won every union election since 1962.

Finally, the question of strike votes being fixed by legislation. The OWTU is a union based on the principle of elections both at branch and executive levels. Democracy today is representative democracy. The General Council of the OWTU is made up wholly of elected representatives of the union, with the power to decide on the implementation of policy between annual conferences.

Calling for an election on every decision a union makes is like calling for an election on every piece of legislation tabled in Parliament, despite there being representatives of the people in Parliament. And, anyway, are shareholders going to be asked to vote for a lock-out?

The General Council rejects the allegations of the Special Correspondent.

General Council of the OWTU

STRIKES AT METAL BOX LOSE \$2.5 MILLION IN WAGES

Port-of-Spain TRINIDAD GUARDIAN in English 21 Nov 85 p 1

[Text]

THE four-month strike by 270 hourly-paid workers against Metal Box Trinidad Limited, has cost the strikers nearly \$2.5 million in wages, Guardian investigations have revealed.

More than 1,000 wives, children and relatives are directly dependent on the workers whose strike enters its fifth month at the end of November.

At the sprawling factory itself at Trincity, the \$30m. plant stands largely under-utilised and production losses over four months, estimated at \$15m., continue to rise. The longer the disruption of work continues, the slimmer are the chances of survival of the company, its ability to sustain employment, and its capability to offer increased wages.

The company faces its third consecutive year of loss for the period ending March 1986. The previous two years' losses totalled \$7m.

With the severe downturn in the economy and a drop in consumer demand, the company has had its hands full to survive even under normal circumstances. As a result of the strike, the Government has been forced to grant permission to Metal Box's clients — principally the soft drink manufacturers — to

import containers and more than 24 million beverage cans will come into the country during this period.

Because imports during the strike have been duty-free, losses in customs revenue to the order of \$1.5m. will be incurred in addition to foreign exchange outflows without any value-added benefits to the country. The strike and its crippling effect on Metal Box's ability to service the market, comes at a time when the company is facing severe threats to its sales from alternative packaging materials such as glass and plastics.

In addition, when the strike is settled, it will only mean re-opening new wage negotiations commencing November 1986. The current agitation relates to a three-year agreement going back to November 1983.

Despite its problems, the company has so far maintained its offer of a 12 per cent increase to the workers and, contrary to the practice in other companies in a similar situation, has not laid off any employees to date.

The Guardian has learnt that the Labour Ministry has decided not to intervene in the dispute. The upshot is that this large, publicly-owned company, is at the cross-roads of a crisis for survival.

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CSO: 3298/172

BRIEFS

CHAMBERS ON FEDERATION--Kingston, Mon., (CANA)--Trinidad and Tobago's Prime Minister George Chambers last night declined to comment on the idea of another Caribbean federation. "I will not comment on the federation at this time," Chambers said at a luncheon in his honour hosted by Jamaica's Prime Minister Edward Seaga. The idea of a new political framework for the region has followed the suggestion of a regional parliament by senior Trinidad Cabinet Minister, Kamaluddin Mohammed, during a conference on democracy in Barbados earlier this month. It has won support from Barbados Prime Minister Bernard St. John and several other Caribbean politicians, but Seaga appeared not to favour the idea last night. A four-year-old federal experiment among ten English-speaking territories, then British colonies, broke up on the eve of Jamaica's independence in 1962 after the island withered on a mandate provided in a referendum here. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 19 Nov 85 p 1] /9274

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16 January 1986